

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL—Not for Publication**

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No. 780

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December 4, 1934.

## I. T. & T. URGES U. S. TO UNIFY TELEGRAPH SYSTEM

There was so little lost motion as the Telegraph Division of the Communications Commission inaugurated its hearings to formulate recommendations to Congress regarding the enactment of laws authorizing the consolidation, or merger, of communications companies, that the witnesses of the International Telephone and Telegraph Corporation, which owns the Postal Telegraph, Commercial Cables, Mackay Radio and All American Cables, were all heard the first day, the proceedings moving at such speed.

Col. Sosthenes Behn, President of the International Telegraph Company, was the last to appear and as did the others of his company, approved the unification of all forms of American telegraph services - radiotelegraph, wire and cable. Colonel Behn said that he was in favor of a merger but suggested two separate companies, one to handle the domestic service and the other to take care of the foreign service. He also told the Commission that he felt the major telegraph companies should get together and form a healthy industry to compete with the telephone and airmail. The first step, he said, should be along the lines of the Graham Act, enacted in 1921, to permit consolidation of telephone organizations.

"But the Postal will not enter into any agreement that will not protect every man, woman and boy that is now employed by the company", he asserted.

Howard L. Kern, Counsel for Postal Telegraph, said:

"The government does not do its full duty by merely permitting the private interests to bring about a solution of these problems, but the government has an affirmative duty pending such solution to see that the struggle for private advantage does not prejudice public interests."

Wolcott H. Pitkin, Vice-President and General Attorney of the I. T. & T. declared:

"This Company believes that the best safeguard to be included in the law would be to vest in the Commission itself full authority to approve or disapprove any merger or consolidation which may be proposed in accordance with the effect of such merger or consolidation on the public interest."

"The different forms of communication in the very nature of things compete one against the other - the telephone companies with the telegraph. The airmail, and to a lesser degree,

the mail itself, compete with the telephone and, more directly, with the telegraph. Therefore, the consolidation of the telegraph services, whether domestic or trans-oceanic or both, would not do away with competition in communication. In fact by strengthening the telegraph, such unification would intensify the natural competition among the different forms of communication."

Col. A. H. Griswold, Executive Vice-President of the Postal Telegraph said, favoring the unification of the telegraph services in this country:

"When the management of an essential public service can base its decisions on the improvement and extensions of its service and betterment of employment conditions rather than upon requirements of competition, there is bound to result a condition more satisfactory to the public, to the employees and to a government regulatory commission."

Edwin F. Chinlund, Comptroller and Vice-President of I. T. & T. stressed the following advantages in unification of the telegraph business of this country:

"The industry would be subject to effective competition from the long distance telephone and the airmail, but would be free from the expenses incidental to duplication and internal competition.

"Savings of a substantial character would be made in non-labor items such as rents, maintenance and carrying charges on duplicate equipment, certain elements of commercial expense, general headquarters and administrative expense, etc.

"With unification under governmental supervision, a new scientific rate structure which would be fair to all classes of telegraph users could result promptly.

"Service would be extended to places now now served and services would be improved principally because the industry could devote its attention to such improvement with confidence in the future."

Mr. Chinlund concluded:

"After studying all of the available data, it appears that unification of the telegraph industry is not only necessary as being in the best interests of the American people in giving to them the best possible telegraph service at the lowest possible rates, but that it is essential to protect the employees and the investors in the industry."

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## BELIEVES RADIO WILL INCREASE NEWSPAPER CIRCULATION

Arthur Brisbane, Hearst Editor No. 1, who recently undertook the task of building up the New York Mirror, a tabloid, discussing different phases of the work, had this to say about radio:

"Radio competition is not competition with newspapers.

"As regards news; the radio is more like a signboard. The average human being wants to get the news at his leisure, and think about it as he reads. A few words hurled at him through the air and followed by others immediately do not give him time for thought. News of any importance is, essentially, a thought-producing communication.

"The newspaper is useful, the radio is useful, the latest, and undoubtedly, one of the greatest of human inventions. Things that are useful do not interfere with each other.

"There are more horses now working than there were before the automobile was invented. There is a greater tonnage of sailing vessels on the sea than before Fulton was born.

"The radio will increase newspaper circulation, because it will tell the people just what it was the radio gentleman was trying to talk about. It will also tell the advertisement reading population just what it was the handsome young lady was singing, or the interesting comedian was joking about.

"Radio's greatest value will be as a teacher, enabling the greatest man, whoever he may be, a professor of science on some distant mountain top, or the President in the White House, to tell all the people at the same time what all of them want to know, or ought to know."

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## FLOYD GIBBONS' FATHER DIES

E. T. Gibbons, father of Floyd Gibbons, radio broadcaster, died in Washington last Saturday at the age of 74. A pioneer in chain-store operations in the Middle West, he was in business in Minneapolis and Chicago from 1898 until 1915, when he retired. He lived for a number of years in Paris, where two of his sons were newspaper men.

Floyd Gibbons had returned to Washington during his father's illness, but was called back to New York a few hours before death occurred, and when there seemed no immediate danger. Since 1928, the late Mr. Gibbons had lived at the Sacred Heart Home in Hyattsville, a nearby suburb of the Capital. He is survived by three sons and two daughters.

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## GERMANY ADDS GREAT NATIONAL STATION

A new German national broadcasting station is now being erected at Brueck, southwest of Berlin, and it will eventually replace the present station at Koenigswusterhausen. The new station, which is being laid out on a plot of 2 square km, will be the largest one in the country. According to present plans, as outlined by Rolland Welch, Assistant Trade Commissioner at Berlin, the new transmitter will not be ready for operation for about 2 years. The Brueck station is being constructed because the one at Koenigswusterhausen suffers strangely from fading, even at such short distances as 300 km. Investigators found that fading was especially noticeable in the southwest direction, and particularly during the Spring and Fall seasons of the year. Efforts to overcome the trouble were unavailing, and investigators recommended the abandonment of this transmitter and the erection of a new one elsewhere.

Tests have been made and will continue to be made on the new location. A temporary antenna tower 100 feet in height is being erected. This tower is being assembled in one piece on the ground, and when completed it will be raised in its entirety. Later, after the necessary tests have decided upon the exact locations, 7 permanent towers, each 250 meters high, will be placed in a circle around an eighth central tower. The 7 circular towers will form an actual part of the antenna.

This transmitter will operate on 150 kilowatts, probably with the same long wavelength as the present station at Koenigswusterhausen. Work on the transmitting equipment has already begun.

The Munich high-power station has now been equipped with its new anti-near-fading aerial, which will be put into service immediately. In view of the increased local range, the Augsburg relay station will shortly be closed down. According to a recent announcement, the German Post Office has decided to open a new relay station in the border count between Silesia and Saxony, where reception conditions are very poor. This station will be erected close to Reichenbach in the Oberlausitz, and will operate on a common wavelength, with an aerial power of 1.5 kw. In the meantime, a well-known German firm is working on the transmitter equipment. It is anticipated that the Coblenz relay station, which will work on a common wave with a power of 1.5 kw, will be finished by January next. Work has been started on the installation of the anti-near-fading aerial at the Muhlacker high-power station. During the daytime Muhlacker will close down, and the old Stuttgart-Degerloch transmitter will broadcast Reichssender Stuttgart's program every day until 3 P.M., G.M.T. It is hoped to complete the new aerial by the middle of November.

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## GARY-PRALL SITUATION DISCUSSED

Speculating upon how Representative Prall, of New York, may fit into the picture with regard to Hampson Gary at the Federal Communications Commission, Sol Taishoff writes in the Washington Evening Star:

"At least one new face is expected on the F.C.C. next January. Representative Prall, New York Democrat, who did not run for reelection in November, is definitely assured of a place on the F.C.C. - probably as Chairman of the Broadcast Division. Prall is now confined to his home recovering from a leg fracture suffered in an automobile accident last August with his friend and sponsor, Senator Wagner, of New York.

"Prall had been appointed by President Roosevelt to a place on the former Federal Radio Commission last February, but he elected to conclude his term in Congress. Meanwhile, Congress enacted the law which set up the Communications Commission and abolished the former agency. Prall was precluded from accepting appointment on the F.C.C. because of the constitutional provision that no member of Congress may serve on an agency created by a Congress of which he was a member during that term of the Congress.

"As a consequence, Prall was given assurances that he would be named to the F.C.C. as soon as he becomes eligible, or on January 3. While his indisposition may prevent him from actually assuming that post next month, those close to the Congressman indicate that he expects to receive the appointment at that time.

"Now sitting in the post slated for Prall is Chairman Hampson Gary of the Broadcast Division, Texas Democrat and former Minister to Switzerland. It is presumed that he will leave the agency in January unless other personnel changes are made. Other Democratic members are Chairman E. O. Sykes, of Mississippi, appointed for the seven-year term; Paul A. Walker, of Oklahoma, Chairman of the Telephone Division, named for a five-year term, and Dr. Irvin Stewart, of Texas, Chairman of the Telegraph Division, named for three years. Unless a vacancy occurs in one of these three posts, or unless Prall is not nominated, Gary's tenure will end January 3.

"One possibility talked about in radio circles is the appointment of Chairman Sykes, himself former Chief Justice of the Mississippi Supreme Court, to a Federal judgeship. There are no vacancies at present for which he has been mentioned. This talk has centered around appointment to the United States Court of Appeals for the District of Columbia, a five-man court which sits in review on appeals from the F.C.C."

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## FIVE THOUSAND MILE RADIOTELEPHONE SERVICE TO JAPAN

Overseas telephone service from the United States will be opened to Japan on December 7, affording a direct voice connection between any Bell System Telephone in this country and all telephones in principal cities on the Island of Hondo, including Tokyo, Kyoto, Yokohama and Kobe. Japan, with its 480,000 telephones, is the sixtieth foreign country to be brought within voice range of the United States. Its addition leaves few nations of commercial importance to be included in the worldwide telephone network in which the United States holds a pivotal position.

The cost of a three-minute conversation from San Francisco to Tokyo will be \$30. Charges for more distant points in the United States will be somewhat greater, depending upon the additional mileage involved.

A "voice bridge" more than 5,000 miles long will span the Pacific to link San Francisco and Tokyo through a short wave radiotelephone channel employing wave lengths between 14 and 45 meters. The Bell System's transmitting station at Dixon, California, focuses its full strength upon the receiving station at Komuro, Japan, by means of a highly directional antenna developed by the Bell Telephone Laboratories.

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## WJSV LANDS GOOD COMMERCIAL

The largest commercial contract ever arranged locally, continuing Arch MacDonald on WJSV, of Washington, for 52 weeks starting April 2, 1935, was signed this week.

With wire information furnished by the Washington Post, Arch will broadcast his usual play-by-play accounts of all of the Washington Senator's out-of-town games, in cooperation with People's Drug Stores, sponsors of the series.

The contract was officially signed by representatives of his sponsors; Jess Willard, manager of WJSV; and Charles Moore, promotion manager of the Post. The series will be heard on WJSV at 6:15 P.M. weekdays and at 7:15 P.M. Sundays.

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## BROOKLYN STATIONS FIGHT PROMISES TO BE LENGTHY

There was every indication in the reopening of hearings of the Brooklyn Daily Eagle applying for the frequencies of Brooklyn stations WARD, U. S. Broadcasting Corporation, WBBC, Brooklyn Broadcasting Corporation, WVFW, Paramount Corporation and WLTH, Voice of Brooklyn, that the case would be hard fought and long drawn out.

Theodore Liquerman, of New York, certified accountant, retained by the U. S. Broadcasting Company, was the first witness in the same capacity for WLTH. Brother David Gannon, of the Franciscan Friars of Atonement, said that by appeals over WARD, his society had been able to carry on their work in Brooklyn.

"Of course, I am in the monastary, and I am not permitted to listen to the radio", Brother David explained, "but I have had work in New York for the last three months and I have heard and observed the work that is going on. If it were not for the radio it would not have been as successful as it was."

When Father Paul James Francis, Father General and founder of the Society of the Atonement appeared Thomas P. Littlepage, Sr., who, along with John M. Littlepage, are counsel for the Brooklyn Eagle, inquired:

"Father Francis, do you know how much time has been used on WARD for your work?"

"Only in a general way", the priest replied. "I have not kept any tab on it myself."

"I think you said you had never spoken over the station?"

"No, except I am planning to, if the station perseveres."

When George N. Galloway, of the Brooklyn Tuberculosis Society, spoke of receiving the facilities of WBBC gratis, Mr. Littlepage inquired,

"As a matter of fact, all radio stations give time for this very fine work, do they not?"

"We have not been able to secure time over New York stations because they feel that they are national in character and should not be confined to talks or problems for Brooklyn specifically", Mr. Galloway answered. "We are not using any other station than WBBC."

"All the big New York stations give time to this tuberculosis campaign at times, do they not?"

"They do for a national purpose, but not for a specific territory."

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Dr. Samuel Zwerling, of the Medical Society of Kings County, said in response to G. August Gerber, counsel for the U. S. Broadcasting Company, that he was proud to say the talks of the Society over WBBC had been rebroadcast by the American Medical Association.

Edward Kole, a lawyer, described broadcasts he had been making over WBBC, and mentioned one on the subject of mal-injury, with respect to bankruptcy.

"What do you mean by 'mal-injury'?" Mr. Gerber inquired.

"Some people, or the laymen, would regard it as faking injuries in a negligent case. Scientifically it is not faking at all, but how a layman regards it, and one of the reasons why the subject was chosen was to explain where 'mal-injury' is not faking at all, but is the result of certain physical injuries beyond the control of individuals."

Fred R. Marvin, secretary of the Committee American Education, told of broadcasts over WBBC to give the average listener a better understanding as to the nature of our form of Government and the duties of citizenship. Dr. Russell Morse Brougher, of the Baptist Temple of Brooklyn, said he had utilized the facilities of WBBC.

"We have received thousands of letters from those in radio land who have been helped and blessed because of our services", Dr. Brougher stated. "At one time we mailed out over 1500 little Bible markers to folks who wrote in for them. We received letters from the Bahama Islands, up in Nova Scotia, Newfoundland, and the winner of a long-distance contest we conducted was in Manchester, England."

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#### EQUITABLE FOR THE BIG CITIES

Will someone please explain why an "equitable" system of radio allocation puts so many broadcasting stations into one-quarter of the country? I mean, will someone please explain it so as to be both clear and credible?

- R/9, Los Angeles.

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## W. U. ADVOCATES UNIFYING OF ALL COMPANIES, IF ANY

No unification of telegraph properties and enterprises would, in the opinion of J. C. Willever, First Vice-President of the Western Union, accomplish any permanently useful purpose unless it were all embracing; that is to say, unless the consolidated enterprise could occupy the entire field of record communication and take over all the telegraph business now being conducted, by whatever methods, by other companies of whatever kind.

"Should an amendment in aid of unification be recommended to Congress by the Commission, it should, we venture to suggest, be broad enough to permit the consolidation of all telegraph business by whomsoever or howsoever conducted, while also safeguarding, by proper requirements, the continued development and use of the wireless and, in the discretion of the Commission, of any new form of communication which may be developed hereafter", Mr. Willever said.

"Further, if we are to consider a consolidated telegraph enterprise, even all-embracing at its inception, it would seem highly desirable, in order to assure to the enterprise that permanent strength, reliability and adequacy required under the policy announced by Congress that there be in the law itself some reasonable guarantee that the telegraph business shall not be undermined in the future by small competitors entering the field with competing services between profitable centers where the density of traffic would permit a company serving such centers alone to make a profit under a rate structure which the company offering the nation-wide service could not afford to meet.

"Unless some assurance of this kind can be found, the removal of any competitor, or even of all competitors, would be merely the signal for the birth of others, and the removal of less than all competitors would merely mean the expansion of the competition of those who are left; so that whatever advantages could be looked for from a regulated monopoly under close Government supervision could not be relied on to endure. The situation might be met in part at least, by a provision that in case any merger or consolidation of telegraph properties approved by the Commission shall embrace all or substantially all of the record communication business of the country, by whatsoever means or by whomsoever conducted, no other person or corporation shall thereafter engage in interstate or foreign business of like character, except to the extent that such person or corporation shall have been so engaged at the time of the approval of such merger or consolidation by the Commission, without a certificate of convenience and necessity from the Commission, which the Commission shall not be authorized to grant so long as the consolidated telegraph system is able and willing to furnish adequate service between the points involved, and to encourage and develop, to the satisfaction of the Commission, the types and kinds of service best adapted to the business and Governmental needs of the country, whether by means now known or others which may be developed in the future."

"The Bell System Companies are not engaged in the public telegraph message business with the exception of a very minor amount in one company", C. P. Cooper, Vice-President of the American Telephone & Telegraph Co., testified. "We have been, however, in the private line or leased wire field since 1887 and to a considerable extent are responsible for the growth of this type of business. Recently a new development in this field, known as the teletypewriter exchange service, was offered to the public. Also, it is a well known fact that much of the research in our laboratories, directed primarily to the development of the telephone art, finds application in the telegraph business. \* \* \* \*

"From our observation and knowledge of the services offered by the telegraph companies, we believe that the possible advantages of a consolidation of the telegraph companies are sufficient to justify the Commission in recommending legislation permitting such consolidation.

"The Order also requests that those interested advise the Commission as to what safeguards and conditions they think should be prescribed, if a recommendation authorizing consolidation be made. So far as rates and practices are concerned, the public is already protected by the provisions of the Communications Act. It would be advisable to provide that a certificate must be obtained from the Commission to the effect that any proposed merger or consolidation is in the public interest before it could become effective. This would give the Commission opportunity to consider the effect of such proposal on all of the interested parties - the public - the customers - the investors - and the employees."

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#### STAR-MAKER APPOINTED ABS VICE-PRESIDENT

George B. Storer, President of the American Broadcasting System, has appointed Burt McMurtrie, credited with discovering many famous radio stars, a Vice-President of the new major network, in charge of program operations.

"Mr. McMurtrie, who is 32, thus becomes one of the youngest Vice-Presidents in network broadcasting", an ABS statement sets forth.

"Bing Crosby, Morton Downey, Dick Powell, Mildred Bailey, Ted Fio Rito and others are among the radio luminaries who started their careers under the guidance of McMurtrie.

"McMurtrie joined American Broadcasting on August 15, resigning his position as Commercial Program Director of Columbia Broadcasting System, a post he had held four years. The last six

months of that period he had spent in California, developing the Pacific Coast program bureau for Columbia. From that point he was responsible for the Big Crosby Woodbury broadcast, Raymond Paige's Pontiac program, Dick Powell's and Ted Fio Rito's broadcasts and the Louella Parsons Movie Stars series.

He left radio to devote two years to the study of music and languages in Rome and served as foreign correspondent from that point. He returned from Italy in 1930 and broadcast the first of the B. A. Rolfe Lucky Strike programs for the National Broadcasting Company.

"McMurtrie then left NBC to go with Lennon and Mitchell Advertising Agency as director of radio and attracted the attention of the industry with his handling of the Paul Whiteman Old Gold program and in particular Whiteman's spectacular Old Gold tour of the country, to date unequalled in radio exploitation."

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#### APPLICATIONS GRANTED BY BROADCAST DIVISION, FCC

WQDX, Stephens Luke, Thomasville, Ga., consent to voluntary assignment of license to H. Wimpy (licensed on 1210 kc., 100 watts, unlimited); WQDX, H. Wimpy, Thomasville, Ga., C.P. to move transmitter locally in Thomasville, make changes in equipment and change hours of operation from unlimited to daytime; KSD, The Pulitzer Publishing Co., St. Louis, Mo., modification of C.P. to make changes in equipment, increase power from 500 w. night,  $2\frac{1}{2}$  KW day to 1 KW night, 5 KW day, and extend commencement date to 2 days after this date and completion date to 60 days after this date; WDRC, WDRC, Inc., Hartford, Conn., license to cover C.P. authorizing increase in day power from 1 KW to  $2\frac{1}{2}$  KW and changes in equipment operates on 1330 kc., unlimited time, 1 KW night; WMEX, The Northern Corp., Chelsea, Mass., license to cover C.P. 1500 kc., 100 watts night 250 w. day, unlimited time.

WTAR, WTAR Radio Corp., Norfolk, Va., modification of license to use present transmitter as an auxiliary, composite - DCC Max, 1 KW; KADA, C. C. Morris, Ada, Okla., license covering C.P. for new station, 1200 kc., 100 watts, daytime; KFVS, Hirsch Battery & Radio Co., Cape Girardeau, Mo., license covering C.P. authorizing increase in day power from 100 w. to 250 w. and changes in equipment; WTAR, WTAR Radio Corp., Norfolk, Va., license covering new equipment 780 kc., 500 w., unlimited time; WDAY, WDAY, Inc., Fargo, N. Dak., license covering C.P. authorizing changes in equipment and increase in day power to  $2\frac{1}{2}$  KW, 940 kc., 1 KW night, unlimited time; WEBQ, Harrisburg Broadcasting Co., Harrisburg, Ill., license covering C.P. authorizing changes in equipment and increase in day power to 200 watts, 1210 kc., 100 watts night, specified hours; WHBF, Rock Island Broadcasting Co., Rock Island, Ill., license covering C.P. authorizing new equipment and moving studio locally, 1210 kc., 100 w., unlimited time.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

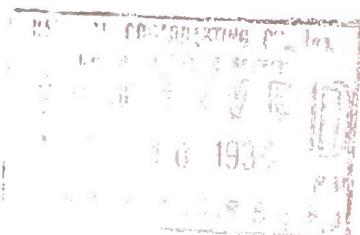
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"WE WILL NOT UPSET THE APPLECART", SAYS COLONEL BROWN

That the Communications Commission will act with discretion and for the benefit of the radio listeners, was the message of Col. Thad Brown, Vice-Chairman of the Commission, in an interview over National Broadcasting Co. network with Martin Codel.

"We make a change here, shift a station there, perhaps authorize a new station to serve a community that needs additional radio service -- and immediately there is talk about a general reallocation and how the listener may have to dial his set differently to tune in his favorite stations. Actually, ours is a job simply of keeping the radio structure on a sound technical basis, keeping abreast of the swift changes and improvements in radio engineering and preserving broadcasting as an instrument for good public service", Colonel Brown went on.

"When you consider that there are something like 20,000,000 home, automobile and other receiving sets in almost daily use in the United States, and when you consider that the American people have invested between four and five billion dollars in broadcast receiving equipment alone, not to ignore perhaps \$100,000,000 more in transmitting equipment, you may rest assured that we aren't going to upset the applecart with any sweeping gesture. I might add, for the sake of completing my statistics, that the radio manufacturing industry also represents an investment of about \$250,000,000 -- and that, between them, the radio set producers and the broadcasters employ several hundred thousands of people."

"Then I gather that the basic structure of American radio isn't going to be changed so materially as to disturb those radio listeners who want to continue hearing Rudy Vallee, Paul Whiteman, Leopold Stokowski, Walter Damrosch and the rest?" Mr. Codel asked.

"Rest assured of that", was the reply. "Even if there were a wave of sentiment for government ownership and operation of the radio, which I don't believe exists, we would still want everyone to hear the kind of programs he likes to hear. And while we're on that subject, I'd like to say this: There's been a lot of talk, too, about governmental control of radio programs - about censorship and all that. I'm a Republican serving under a Democratic administration, and I can vouch for the fact that this administration hasn't done one thing, directly or indirectly, to warrant any belief that it intends now or later to censor or limit radio as an avenue of free speech and free expression of talent. I'd like to say all the charges and innuendos are sheer bunk."

"What about advertising?" the interviewer asked.

"There again we have no powers of censorship", was the response. "My own opinion is that radio advertising is slowly but steadily becoming less offensive - cleaning itself up, as it were. Then, of course, there's the Federal Trade Commission to regulate improper advertising, and they are doing a very satisfactory job in outlawing offensive products and claims, if not actually stimulating the broadcasters to see that better advertising copy is written."

"Do you believe in the advertising support of radio?" the Commissioner was asked.

"There's only one other alternative - radio set taxes such as the British and most European countries impose. But over there, of course, the governments run the radio, which manifestly means the parties in power control it. I think our American system is superior in that it is kept free from political control, just like our newspapers. There should always be freedom of radio just as there is freedom of the press."

"What are some of the problems facing your Commission at this time?" Mr. Codel inquired.

"There are a number of important problems facing the Commission, not the least of which is the Davis amendment, enacted by Congress in 1928 to guarantee equality of broadcast service in every part of the United States", Colonel Brown replied. Its original purpose, to prevent the concentration of all the broadcast stations in the thickly populated and congested areas of the United States, has been accomplished. Now there are manifest needs for more facilities in the sparsely settled sections of the West which cannot be supplied because of the present law. The Amendment has completely exhausted its usefulness."

Speaking of the clear channel survey now being made, Colonel Brown said:

"Primarily it is designed to determine whether the rural listeners are getting adequate service from our clear channel stations - that is, the big high power stations that operate on exclusive wave lengths at night. In other words, is it necessary to maintain clear rights-of-way on certain highways of the ether, so that what we might call express train service shall supplement local services? As you know, the new law empowers us to authorize new low power local stations in communities that need them, providing the wave lengths can accommodate them, and we're doing that. But it is just as important - probably more important - that the farmer and the remote listener should get a decent choice of radio programs. So far high power and clear channels seem to be the best way. But the Commission is extremely anxious to know if, in the light of scientific advancements which have recently been made, this is still the best possible method of assuring the widest and best service to all. That's the reason for our present survey."

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## SARNOFF DECLARES RADIO'S FUTURE AHEAD, NOT BEHIND

We stand on the threshold of developments which promise revolutionary results in bringing new methods of instant high-speed wireless communication to the service of industry and commerce in the United States, David Sarnoff, President of the Radio Corporation of America, declared to the Federal Communications Commission in advocating a definite American communications policy to enable the telegraph services of the country adequately to develop and to render a fuller public service.

"We are communicating with airplanes. There is no reason why we should not be communicating with moving trains", Mr. Sarnoff went on.

"The Commission has granted us experimental licenses for high-speed facsimile transmission on ultra high frequencies, and our laboratories are making amazing progress in that field. This development and the progress being made in multiplex radio transmission, will revolutionize our present habits of communication.

"Let me make it clear that neither the R.C.A. nor any of its subsidiaries has any plan or program for consolidation or merger with any other communication company, in the event legislation be enacted permitting this to be done. There is no agreement or understanding by the Radio Corporation or any of its subsidiaries with any other communication company for a consolidation or merger in the communications field."

In considering a Communications policy, the Commission will speedily find that the United States does not have an adequate telegraph service in the domestic field, and that in the international field, Americans are working at cross purposes with each other, resulting in benefit to foreigners and damage at home, Mr. Sarnoff observed.

"In the domestic telegraph field, there is needless duplication of investment, overhead and operating expenses. There has been great waste without compensating advantage to the public. The teletypewriter exchange service, recently introduced, has added further complications. The development of domestic radio telegraph services would have been greatly accelerated had there been a definite communications policy.

"The absence of such a policy is even a greater menace to American communications, in the international field. Foreign communications systems, each unified in its own country, can and increasingly will benefit from the keen competition of American companies to do business with them. In Germany, Norway, Sweden, Denmark, Finland, Czechoslovakia, Hungary, Jugo-Slavia, Roumania, Holland, Belgium, Russia, Poland, Japan and China, domestic and international telegraph services are operated under the control

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of the same administration. In Great Britain international cable and radio telegraph facilities were recently consolidated. The foreigner has the advantage in every negotiation. A definite national policy is essential if the independence and security of America in world communications are to be preserved.

"There can be no effective remedy so long as American laws forbid unification of telegraph services in this country thereby preventing them from meeting on even terms and dealing effectively with unified systems in foreign countries with which American communication companies must necessarily meet and deal. We should not permit foreign communication agencies to apply a policy of "divide and rule" in their relations with Americans - neither in traffic arrangements nor in other dealings.

"In my opinion it would not be practical for the Commission or for Congress now to establish a fixed plan as to the precise form of telegraph unification which might be permitted. The art of communication is changing rapidly and progress being made in the research laboratories promises revolutionary developments in this field.

"As the law now stands, unification of American telegraph companies would appear to be unlawful, however much public interest, convenience or necessity would be served thereby. I believe it is desirable to change the law so that a proposed telegraph unification may be approved and put into effect if, after searching examination, the Government should find, through its regulatory body, that public interest would thereby be benefited."

Mr. Sarnoff in his testimony attacked officials of the telegraph companies for what he viewed as failure to keep abreast of modernization and research efforts, and predicted that a unified telegraph organization would "put fear" into telephone officials.

"The impression I have gained from the testimony here", he said, "is that we have a dying horse, and that we are on our last legs, and that the future is doubtful. I believe the future of the communications business is brighter than ever before. The future of radio is ahead, not behind. They have criticized the teletypewriter exchange. Why, the teletypewriter will be deader than a dodo in five or ten years.

"The ideal way of sending messages is to hold up a printed sheet that will be immediately reproduced at the other end; facsimile transmission and television are about ready."

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## ARMY-NAVY ADVOCATE SYSTEM FREE FROM FOREIGN INFLUENCE

It is the opinion of the Joint Board of the Army and Navy that the Communications system of the nation is of vital importance to the national defense and its freedom from foreign influence is essential. This was among the conclusions presented to the Telegraph Division of the Federal Communications Commission by Col. Walter G. Krueger. They follow:

- "(a) All commercial communication facilities in the United States and its possessions should be owned and operated exclusively by citizens of the United States and its possessions.
- "(b) The directors of all communications companies, including holding companies and excluding foreign subsidiaries or subsidiary holding companies operating wholly in the foreign field, should be citizens of the United States or its possessions.
- "(c) No more than one-fifth of the capital stock of any United States communication company, including holding companies, should be owned by aliens or their representatives, foreign-owned stock should not be entitled to voting privileges.
- "(d) With respect to (a), (b) and (c) above, insofar as cables, all termini of which are not in the United States territory, are concerned, the laws and treaties governing their ownership and operation should stand in general as at present.
- "(e) The merger of foreign controlled communication services or facilities with American communication services or facilities, including holding companies, if such merger violates principles (a), (b), and (c), should be prohibited.
- "(f) The development and expansion of any phase of the communications art, either in the domestic or international field, should be allowed to proceed naturally insofar as the inherent limitations of the art permit. This natural development should be subject to the restrictions imposed by the needs of national defense, including the needs outlined in the succeeding paragraphs and those imposed by the Federal Radio Commission or such Communication Control Agency as may be set up in its place, whose actions are necessarily based on existing conditions in the radio field and the state of development of the radio art at the time.

- "(g) Provision should be made for the permanent assignment of these radio frequencies and other communication facilities required for national defense and other authorized agencies.
- "(h) Communications in certain strategic areas must be operated by the Army and Navy. It is essential that each service have its own self-contained, self-operated communications with its units, wherever located, subject to the joint command principles of the Army and Navy.
- "(i) The Government should operate certain public communication facilities such as radio aids to navigation for ships and aircraft and the transmission of weather, time and hydrographic reports.
- "(j) The commercial system should be capable of being quickly and effectively placed under such government control as will meet the needs of national defense upon the outbreak of hostilities.
- "(k) It is desirable that operating personnel of the commercial communications companies be trained in Army and Navy communication procedure in peace time.
- "(l) It is desirable that operating personnel of the commercial communication companies be commissioned or enlisted in the Army and Navy Reserve.
- "(m) In case of a proposed merger, the Army and Navy should reserve judgment on such merger until they have had an opportunity to study the effect of such merger on national defense.
- "(n) To safeguard the interests of national defense in all communication matters and to assure that the above principles are carried out, the Secretaries of War and of the Navy should have representatives present, in full discussions of proposals before any Federal body set up for the purpose of regulating communications, to present those features which may affect the national defense.
- "(o) The Army and Navy personnel, who are technical experts in communications, should be available in the civil agencies of the government when and as required."

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### S. O. FREE SHOW IDEA CHARGED TO RADIO

Radio is blamed for putting the idea into the heads of the Standard Oil Company of New Jersey of sending Guy Lombardo's band of radio fame, on tour with a free advertising show. All one needs to gain entrance to the travelling show is an automobile driver's license. The engagement opened in a theatre seating 2000 persons in New Haven and the place was filled to overflowing and crowds turned away. The performance was put on much the same as one of Lombardo orchestra's broadcasts. There was a reference to a new gas the Standard Oil is putting out but the advertising mentions were brief.

There has been a protest from the moving picture industry claiming the free shows will hurt the picture business. Also rumors that there will be counter-attacks on the part of picture houses, such as urging patrons to discontinue using Standard Oil gasoline. However, those who have planned the free show tour have refused to back down and the tour, said to be costing the oil people upwards of \$10,000 a week, is booked for a month.

The motion picture officials claim that 50,000 persons attend radio broadcasts in New York free every week.

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### CAPITAL STATION SEEKS POWER BOOST

Station WRC in Washington, which, along with WMAL in the same city is owned by the National Broadcasting Company, is seeking a power increase to 1000 watts at night and 5,000 watts in the daytime. It is always a matter of surprise to outsiders that the stations in the National Capital are obliged to operate on such low power.

WRC broadcasts with 500 watts, WMAL, 250 watts, and WOL, 100 watts. WJSV, Columbia outlet, virtually a Washington station, is a 10,000 watter but its transmitter is located several miles across the Potomac from the Capital and it is charged to the Virginia quota.

WRC also asks a construction permit to install new equipment and to move its transmitter, site to be determined later.

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## PHILADELPHIA NBC-COLUMBIA CONNECTION DENIED

Apropos the declaration of a Senator recently that he proposed to "look into the Philadelphia situation" whereby Dr. Leon Levy, with Columbia affiliations is Program Manager for the new National Broadcasting Company, Station KYW, a broadcasting official declared that it was not a tie-up between the two major networks. Dr. Levy, along with his brother, Isaac Levy, owns WCAU, Columbia station in Philadelphia, and is a brother-in-law of William S. Paley, President of the Columbia Broadcasting System. KYW, a Westinghouse property, was recently moved to the Quaker City from Chicago.

"The NBC has complete control of Station KYW and the Levy brothers will simply sell local time commercially under NBC's direction", the broadcaster declared.

"There is no connection between Columbia and NBC and this is simply a case of efficiency and less costly operation under the absolute direction of NBC with an over-all control by Westinghouse Company."

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## LABOR PROTEST WILL PROBABLY NOT BLOCK MERGER

It has been learned that the protest made by labor representatives against wire and wireless telegraph consolidation at the Federal Communications Commission hearings are receiving serious consideration. There was also evidence of this when Commissioner Payne made quite a point of saying at the hearing: "Whatever is done, you can be certain that labor will be protected to the best of our ability."

However, the general belief is that this will not prevent the Commission from recommending to Congress that telegraph consolidation under certain conditions be approved.

F. G. Burton, President of the Association of Western Union Employees, said that 8,500 would be added to the relief rolls. He testified that the Western Union facilities were sufficient to care for all the possible wire traffic with the addition of about 1,000 workers now employed by the Postal Telegraph & Cable Corporation.

He asserted that while the consolidation of telegraph properties would undoubtedly mean substantial savings in operating costs, the savings would "obviously" be made at the expense of labor in the industry.

The chief cause, Frank B. Powers, International President of the Commercial Telegraphers' Union of North America, said, was an "overdose" of machinery and automatic telegraphy, which began in 1918 and has subsequently cost the jobs of thousands of capable operators. He said that the proposed consolidation would cause 15,000 workers to lose their jobs.

Continued competition, said George H. Young, President of the United Telegraphers of America, was the only hope for workers, and he added that if the proposed merger would be managed under one head, the only salvation of those who would be thrown out of work would be a "great long breadline."

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#### NEW N.A.B. COMMITTEES TO BE ANNOUNCED AT N. Y.

President Ward, at a meeting of the Board of Directors of the National Association of Broadcasters in New York next Tuesday and Wednesday (Dec. 11 and 12), will announce the appointment of 1935 committees of the Association.

Copyright and vital matters will be considered with a view to action during the coming year.

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#### SEES CODE FORCED UPON BIG INDUSTRIES

Legislative means of placing the big telephone, telegraph, shipping and meat-packing industries under codes were considered this week by the NRA Administrative Board, according to Douglas Warrenfels, who wrote in the Washington Post:

"With their more than 750,000 employees and billions of dollars in operating capital, the four recalcitrant groups have resisted all codification efforts. Officials regard their enlistment under pacts as essential to success of the Blue Eagle movement.

"None of the important hold-outs would be mentioned by name, but the purpose of the maneuver, if adopted, would be to make it so hot for outside industries by congressional edict that the telephone, telegraph, shipping and meat-packing groups would welcome instead of scorn, codes.

"All of these industries signed the President's reemployment agreement and still are subject to voluntary wage and hour supervision. The telephone and telegraph corporations have argued they already are regulated by the Federal Communications Commission, while the shippers and meat packers have contended there is no necessity for their inclusion in pacts.

"Gen. Hugh S. Johnson last Spring threatened to impose a code on the telephone and telegraph industries. He wrote his own compact and called a public hearing for its consideration after the interests involved refused to propose a code. Nothing ever came of it, however, despite Johnson's charges that the industries were guilty of 'abuses inimical to the public interest.'"

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#### RADIO CAPITAL PLAN REPORTED IN STREET

Radio Corporation of America, it was reported reliably in Wall Street, the Associated Press says, is considering plans for a capital reorganization.

The plans are in the hands of a special committee of Directors, which is giving special attention to the question of eliminating accumulated dividends on the two classes of preferred stock.

A move toward rearrangement of the radio capital set-up has been expected in Wall Street for some time, although officials continued to withhold comment on the reported plans.

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#### APPLICATIONS GRANTED BY COMMUNICATIONS COMMISSION

Telephone Division: WNC, American Telephone & Telegraph Co., (Long Lines Dept.), Hialeah, Fla., modification of license authorizing two additional points of communication, namely Kingston, Jamaica and Santo Domingo, Dominican Republic; WLXY, New England Tel. & Tel. Co., Marshfield, Mass., renewal of special experimental station license in experimental service in exact conformity with existing license; WKFQ, Ed. V. Turner, "Monte Carlo," Long Beach, Cal., third class public ship radio station license; WKEM, Rohl Connolly Co., "R.C. Co. No. 4," San Pedro, Cal., WKFK, Same Co. "Rocona", WKFN, Same Co. "Sonoma", San Pedro, Cal., third class private ship radio station license.

Telegraph Division - WAG, Mackay Radio & Telg. Co., Inc., Thomaston Me., modification of license to change hours of operation from unlimited to 5 A.M. to 9 P.M. EST; W2XBU, Same Co., New York City, W2XBV, Same Co., Southampton, N. Y., experimental Genl Exp. license to cover C.P., 86000-100000 kc., 250 watts power; WDU, Same Co., Brentwood, N. Y., modification of C.P. extending completion date to Jan. 15, 1935; W4XAC, Police Dept., Salisbury, N. C., experimental-Gen. Exp. license to cover C.P., 30100, 33100, 37100, 40100 kc., 20 watts.

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## RADIO AUDIBLE ARTS INSTITUTE TO AID PROGRAM APPRECIATION

The Radio Institute of the Audible Arts, founded by the Philco Radio & Television Corporation, with Pitts Sanborn, nationally known music critic, as its Director, has been organized to stimulate a wider and more active appreciation of good radio programs among the American people. Offices are at 254 Fifth Avenue, New York City.

"It will endeavor to increase the discrimination of the public and encourage the cultural growth of the vast audience by stressing the advantages and enjoyment to be derived from the best programs and to encourage the public demand for better things over the radio", its prospectus sets forth.

"If the Radio Institute of the Audible Arts can quicken public interest in worth while radio programs, the enormous, potential influence of the radio for good, may be realized.

"Important groups and organizations can cooperate to create an inspiring future for radio broadcasting.

"The Radio Institute of the Audible Arts is dedicated to the furtherance of merit in radio broadcasts in all fields, without favor or discrimination. It stands for the best, and aspires to excellence."

In explaining the purposes of the organization, Mr. Sanborn said:

"The Institute believes that by furthering appreciation of the better things now on the air, the general level of appreciation is raised, which must result in increasing demand for the better things.

"Our activities will extend into the four main fields of education, music, news dissemination and entertainment."

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## COLUMBIA VOTES TWO DIVIDENDS

Columbia Broadcasting System, Inc., declared on Wednesday a quarterly cash dividend of 50 cents a share plus a special cash dividend of \$1 a share on each of 309,220 shares of Class A stock and 253,000 shares of Class B stock.

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B.C. Legal Dept  
Dec 13, 1934 10:00*

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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*W.H. J. G.*

December 11, 1934.

## FRIENDS WOULD SAVE HAMPSON GARY

Friends are rallying to the aid of Hampson Gary, Federal Communications Commissioner, who, though his term does not expire until next July, is expected to be succeeded January 1st, or thereabouts, by Representative Anning S. Prall, Democrat, of New York, a personal friend of Senator Bob Wagner, of New York, and also of President Roosevelt. The term of Mr. Prall, who was defeated for renomination, expires at the beginning of the year. The President appointed Representative Prall a member of the old Radio Commission, but with the creation of the Communications Commission near at hand, he was never sworn in, the general impression being that Mr. Roosevelt would appoint Prall to the Commission January 1st. He could not do it sooner because Mr. Prall was a member of the Congress which created the Communications Commission and under the Constitution, could not serve on it until that particular session had expired.

The belief is that President Roosevelt, although appointing Hampson Gary for a year, in effect really asked him to sit in until Mr. Prall could take over the reins. In the meantime, the Broadcasting Division, of which Commissioner Gary is Chairman, has held important hearings on the question as to whether religious and educational stations shall be given additional radio facilities and if so, if this allocation should be made by Congress.

The record of the hearings comprise more than 14,000 pages of testimony, and in the opinion of Henry A. Bellows, who was in charge of the Broadcasters' presentation, "constitutes the most significant statement ever made of the aims, purposes and methods of American broadcasting."

Obviously Mr. Gary, having conducted the hearings and being familiar with all its details, is the man to draft the report. In the short time remaining of his term, if he is to go out January 1st, it will probably be physically impossible for him to do this. So important is the report considered that there are those who believe the Senate will not confirm the members of the Communications Commission until they see how the Commission acts on the highly controversial religious-educational matter, and perhaps will judge them accordingly.

Friends of Mr. Gary argue that unquestionably he has made good as a Commissioner, is ably qualified for the position, has undertaken the task with enthusiasm, has labored without regard to hours, enjoys the work, and therefore should be allowed to continue. It is their contention that having become familiar

with the problems of the broadcasters and in particular being responsible for the all important religious-educational report that it would be a mistake to put a new man in his place, who would have to lose all the time of getting up to where Mr. Gary now is. They contend that this would be a bad thing for the radio industry.

Mr. Gary's supporters, accordingly, believe it would be better, rather than to disturb the present broadcasting set-up, for the President to take care of Mr. Prall elsewhere. As the stories go, Representative Prall, however, is keen on having this particular job.

One solution in favor of Mr. Gary would be the appointment of Judge E. O. Sykes to the U. S. District Court of Appeals, which sits in review on appeals from the F.C.C. Gary could then succeed Judge Sykes. There are, however, no vacancies in the Court of Appeals at the present time.

Several months ago Representative Prall, who is 64 years old, was in an automobile smashup while driving with Senator Wagner, upstate in New York. Both were injured, Mr. Prall sustaining a fractured leg. He has been in the hospital most of the time since but Miss Hildebrand, his secretary, reports that the New York Representative is now able to get around and if there is no setback that he will arrive in Washington shortly before Christmas.

As is the case with Mr. Prall, Mr. Gary, who was formerly Consul General to Egypt, is likewise a Democrat and a personal friend of both President Roosevelt and Senator Wagner.

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#### "WHY SHOULD BROADCASTERS BE TARGET?" L. CALDWELL ASKS

There is no better way of bringing on a Hitler regime over the radio in this country than by having the Government attempt to interfere with private censorship, Louis G. Caldwell, who was the first General Counsel of the old Federal Radio Commission, said, addressing the annual conference of the American Civil Liberties Union in Washington. He said the Union's first target should not be the unfortunate broadcaster over whom the Communications Commission exercises a life-and-death power every six months.

Let me express frankly a measure of disappointment at the position taken by the Civil Liberties Union during the past year or two on freedom of speech by radio", Mr. Caldwell admonished. "I have agreed with its position so regularly in the past on all questions involving liberty of expression - and particularly with regard to post office censorship - that the disappointment is all the greater when I find its representatives advocating

what seems to me an inconsistent and an indefensible point of view on radio censorship.

"The evil to be avoided - if we have any regard for the lessons of history - is governmental restraint on liberty of expression, whether imposed by hereditary monarchs or democratic majorities. Yet this organization, at least in its recent appearances in Washington, is directing some of its shafts at a phantom which it calls private censorship, apparently not realizing that if there is such an evil it is due above all to what ought to be considered an unconstitutional censorship by a governmental agency."

Here it was that Mr. Caldwell said that in his opinion there is no better way of bringing on a Hitler regime over radio in this country than by having the Government attempt to interfere with private censorship - "which, in most cases", Mr. Caldwell added, "is simply perfectly legitimate editorial selection - and by seeking additional governmental interference with broadcast programs. In a word, it seems to me that some of your efforts have been directed at increasing the very evils which you have usually combatted."

Mr. Caldwell's assigned topic was, "Freedom of the Air."

"I shall waste no time discussing freedom of speech by radio in time of war. In my opinion, if the statutes now on the books be given effect, no such freedom exists, since the President can close down any station for any reason. He can also do this on proclamation of a national emergency. I shall resist the temptation to speculate as to what this means", the speaker said getting into his stride.

"In time of peace - or of non-emergency - the situation is bad enough. We have seen that a newspaper may not be suppressed for publishing defamation of public men, no matter how scandalous or how regularly continued. Yet a broadcasting station can be put out of existence and its owner deprived of his investment and means of livelihood if it is used for the oral dissemination of exactly the same language.

"The power to suppress a broadcast station is exercised principally by refusing to review a license because of utterances previously disseminated over the station, on the ground that the utterances do not meet the test of 'public interest, convenience or necessity.' The story of how the intent of our forefathers as expressed in the First Amendment, and the intent of our modern lawmakers as expressed in the Radio Act, have been successfully circumvented is one of the most interesting and instructive in the annals of administrative law. We can only glimpse at some of the chapter headings.

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"The crux of the matter is that each broadcaster must come to the Government every six months as a supplicant for the right to continue in business. The agency to which he must apply for renewal of license is the Federal Communications Commission, formerly the Federal Radio Commission. This agency has the power to issue licenses for a three-year period. There was a period during which licenses were limited to three months, but that period expired several years ago. Still, the Commission persists in the six-months' limitation."

Mr. Caldwell cited the following as more or less obvious conclusions of a preliminary character:

1. Broadcasting has succeeded the public platform. It has become an agency of mass communication comparable to the press, and is at present far and away the most impressive claimant for protection under the constitutional guaranty of the freedom of speech just as the newspaper is the principal claimant for protection under the sister guaranty of the freedom of the press.

2. The test to apply is not whether there is now any visible government restraint of that freedom, but rather it is the power, under our Constitution and our laws, to impose such a restraint.

3. A proper basis for comparison, if we can find it, is the present scope of the freedom of the press.

"The statute, now the Communications Act but before that the Radio Act, has, ever since 1927, contained a section specifically prohibiting any censorship of radio programs and any abridgment of free speech by the licensing authority. I think the section means what it says", Mr. Caldwell concluded.

"I can prove it by references to the legislative history of the Act, including the debates. It was intended to maintain the policy of complete non-interference with broadcast programs which had previously been followed by the Secretary of Commerce during the several years prior to 1927 in which he had the regulation of broadcasting."

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## MULLEN RCA INFORMATION HEAD APPOINTMENT CONFIRMED

Confirmation is at hand with regard to the creation of a Department of Information by the Radio Corporation of America with Frank E. Mullen, formerly Director of Agriculture of the National Broadcasting Company at Chicago. Mr. Mullen also takes over the duties of Glenn I. Tucker, who resigned.

"The reorganization takes cognizance of the constantly increasing number of requests to the Radio Corporation for information relating to all branches of radio", an RCA statement explains. "The public and the press look upon RCA as an authoritative source, since its companies represent broadcasting, transoceanic, domestic and marine radio-telegraphy, and manufacturing.

"Mr. Mullen is no stranger to the 'RCA family', having been with the National Broadcasting Company since its formation in 1926. His first NBC assignment was the organization of an agricultural service, which he started at Station KFKX at Hastings, Nebraska. He soon was transferred to Chicago, and opened the offices and studios of NBC there.

"'The National Farm and Home Hour', the noon broadcasting program that numbers a host of farmers and city dwellers interested in agriculture among its followers, was organized by Mr. Mullen six years ago. His work in directing that program has given him an exceptionally wide acquaintance throughout the country.

"Before entering radio work, Mr. Mullen was a newspaper man. He was born in Kansas and spent his boyhood and high-school days in South Dakota. He was a Journalism student at Iowa State College when the United States entered the war, and he enlisted in the Army, in May, 1917. After serving overseas with the Tenth Engineers from September of that year until February, 1919, he completed his course at Ames and began newspaper work immediately after his graduation. This led directly to his interest in radio, when he was assigned in 1923 by the National Stockman and Farmer, a weekly farm paper published in Pittsburgh, to organize the first radio broadcasting service to farmers ever undertaken in the United States."

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## COMMUNICATIONS NOTABLES GRIDIRON GUESTS

Among those from the Communications industry present at the Gridiron Dinner in Washington last Saturday night were:

M. H. Aylesworth, President, N.B.C.; James G. Harbord, Chairman, R.C.A.; Richard C. Patterson, Jr., NBC, Davis Sarnoff President, R.C.A.; Judge E. O. Sykes and Hampson Gary, Federal Communications Commission.

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## PACIFIC RADIOPHONE CARRIES U. S.-JAPAN FELICITATIONS

The inauguration of the radio-telephone between the United States and Japan brought with it a cordial exchange between Judge E. O. Sykes, Chairman of the Federal Communications Commission in Washington, and Takejiro Tokonami, Japanese Minister of Communications in Tokyo. This followed a conversation between Arthur W. Page, Vice-President of the American Telephone and Telegraph Company, and Seichi Shindo, Director General of Telecommunications, and preceded the talk between Secretary Hull and Minister of Foreign Affairs Koki Hirota.

Addressing Judge Sykes, Mr. Tokonami said that the United States and Japan at last have become the two great neighboring countries bordering the Pacific Ocean.

"Just at this moment it is very significant that a radio telephone link has been established between Japan and the United States", the Minister continued. "This new service, I believe, will make cultural and economic ties of the two countries closer and closer and develop our traditional friendship to a great extent."

"This is but another marvelous achievement whereby our Nations are brought closer together and should further promote the cordial relationships existing between these countries", Judge Sykes replied.

"I must refer, with a great deal of pleasure, to the sincere cooperation which has always existed between your delegations and ours to international radio-telegraph conferences. We very much appreciate this cordial relationship and feel sure that it will continue in the future."

The voices from Japan were heard distinctly and as someone observed "with an unmistakable suggestion of great distance." The first Japanese speaker began by saying, "Good Morning", which brought a smile at this end of the line for, though it was 10 o'clock Saturday morning in Tokyo, it was but 7 o'clock Friday night in Washington. As is usual in these affairs, none of our diplomats spoke the language of the other country. The Japanese all spoke English.

Those listening at the State Department here were Dr. Stanley K. Hornbeck, Chief of the Division of Far Eastern Affairs; Harry A. McBride, Assistant to the Secretary of State; Hugh S. Cumming, Jr., Executive Assistant to the Secretary of State; Maxwell M. Hamilton, Assistant Chief of the Division of Far Eastern Affairs; Leo D. Sturgeon, Division of Far Eastern Affairs; Michael J. McDermott, Chief of the Division of Current Information; Hirosi Saito, Japanese Ambassador; Keinosuke Fujii, Counselor of the Japanese Embassy; Takemi Miura, First Secretary of the Japanese Embassy; L. B. Wilson, President, Chesapeake and Potomac Telephone Co and J. W. Adams, Division Manager, American Telephone and Telegraph Company.

Those in Tokyo were:

Kensuke Horiuchi, Chief, Bureau of American Affairs; Joseph C. Grew, American Ambassador; Chokuro Kadono, Chairman, Japanese-American Trade Council; and G. W. Gilman, Bell Telephone Laboratories.

The commercial service was formally opened Saturday afternoon by conversation between Mayor LaGuardia, of New York, and Mayor Ushizurka, of Tokyo, and Takitora Ogata, editor-in-chief of the Tokyo Asahi and Edwin L. James, Managing Editor of the New York Times.

The commercial rate is \$30 for three minutes. Speculating upon what uses the Japanese might make of the service for diplomatic purposes, someone remarked,

"They will not do a great deal of talking at that rate."

"The deuce they won't", a listener continued, "the Japanese Embassy in Washington thinks nothing of spending \$400 to \$500 on a single message to Japan."

The press arrangements in connection with the Japanese telephone inauguration as carried out by the new A. T. & T. Information Bureau in Washington, in charge of Edwin F. Hill, were highly commended by the correspondents. With Mr. Hill on this occasion was W. J. O'Connor, Assistant to President Gifford of the Telephone Company.

Anticipating the difficulty the newspaper men might have with the Japanese names and taking down the formal speeches, they were supplied in advance with a list of the participants at the State Department and at Tokyo, with continuity, telling exactly when who in Washington would call who in Japan and vice versa, what they would say to each other when they did. There was also the full text of the formal greetings of the Americans and Japanese and finally photographs of the wireless receiving stations in Japan, the Japanese telephone operators, and a map showing the new radio circuit from San Francisco to Tokyo.

Thus it was only necessary for the correspondents to follow their copy and as they listened through specially provided headphones, to jot down departures from the planned conversation such as Mr. Saito, the Japanese Ambassador, wishing Mr. Grew, the American Ambassador in Japan, "luck with his golf as well as his official business", and the unexpected greeting of Mr. Grew's daughter, who was at the State Department with her father in Japan.

Everything, including the slightest details, were worked out in advance for the convenience of the correspondents. It must have taken many days, if not weeks, to gather the text and photographs from Japan to say nothing of the miracle anyone has to perform to get anything ahead of time, if at all, from our own State Department.

For the accommodation of the correspondents, since the ceremonies came at the dinner hour, a buffet supper was served. Here, too, was something different. It seems to be the general idea that at any affair in connection with the press there has to be enough liquor to float a battleship. There wasn't a drop at the A. T. & T. supper which, on a working assignment, was fitting and proper, in the opinion of this writer (who is far from being a day). The result was that by 7:30 o'clock, most correspondents were back in their offices with the complete story, with clear heads to write it, and with plenty of time to catch the early edition. After all, what the newspaper men want in covering an assignment like this is service, and they got it at the A. T. & T. Japanese telephone opening with a capital "S".

R. D. H.

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#### DUAL CARRIER OFFICER RESTRICTION DEFINED

At its general session last Friday, the Federal Communications Commission issued Commission Order No. 8, which reads as follows:

"The Commission having under further consideration the matter of regulations governing authorizations of persons, under Section 212 of the Communications Act of 1934, to hold the positions of officer or director of more than one carrier:

"IT IS ORDERED, That the regulations prescribed in Commission Order No. 4 adopted on October 9, 1934, as amended in Commission Order No. 7 on November 2, 1934, apply to any person authorized by or undertaking for each of two or more carriers to perform the duties, or any of the duties, ordinarily performed by a Director, President, Vice-President, Secretary, Treasurer, General Counsel, General Solicitor, General Attorney, Comptroller, General Auditor, General Manager, General Commercial Manager, Chief Engineer, General Superintendent, General Land and Tax Agent, or Chief Purchasing Agent."

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#### TOM SHIPP IS LAID UP

Thomas R. Shipp, well known publicist and personal representative in Washington of A. Atwater Kent, is sojourning at the George Washington Hospital as a result of cranking a motorboat at his country place. Mr. Shipp sustained injuries to his back necessitating an operation. However, he is now progressing nicely and expects to leave the hospital within two weeks, if not sooner.

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## BROOKLYN EAGLE'S RADIO PLEA HEARD

When questioned as to the financial ability to operate a radio station in Brooklyn, M. Preston Goodfellow, publisher of the Brooklyn Daily Eagle, testified that the Eagle was making a profit and could support a first class station. The Eagle has applied for the frequencies now being used by four other Brooklyn stations and if successful in this, hopes to combine them into a single station.

Mr. Goodfellow estimated that it would cost \$50,000 to set up the proposed new station and \$150,000 to operate it the first year. He said that a considerable part of this money would be available immediately, under a financial arrangement contingent upon the issuance of the license.

Inquiries about a broadcast "Little Red School House" over Station WVFW, Brooklyn, were made by Thomas P. Littlepage, Jr., counsel for the Brooklyn Eagle. Miss Anna Dimin, of WVFW said that the Station had no connection with the feature. Miss Dimin explained the announcer invites children supposed to have talent, to come up for auditions.

"They are charged a fee, are they not?" Mr. Littlepage inquired. "Have any of the children who came up there ever been turned down?"

Miss Dimin said she didn't know. Miss Gladys Pickell was mentioned as a teacher of dancing, but having no connection with the station.

"She is paid nothing, but she pays the station for the broadcast", Miss Dimin explained.

"What sort of split does this lady have with the station for the money taken in on the program of the Little Red School House?" Mr. Littlepage inquired. "Is there any relation between the broadcasting time paid for with the amount of money which is taken in as fees?"

Miss Dimin replied she did not know anything about the financial end of the station.

Referring to Messrs. Gilard, Croninberg and Di Angelo, owners of WLTH, WARD and WVFW, all in Brooklyn, Charles D. Isaacson, who acted as program director of these three stations, said:

"I gradually came to the conclusion that those men were temperamentally unfit to operate a radio station; that as far as Brooklyn was concerned, they had no real interest in the community; that they had no interest excepting operating the station for the cheapest and pettiest kind of commercial purposes whatever, and whatever we did of a civic or educational character was done only

as a gesture to fool the community, and whatever they did was only for immediate commercial purposes."

Having reached this conclusion, Mr. Isaacson said that he resigned.

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#### DECLARES TELEGRAPH COMPETITION MAKES US RIDICULOUS ABROAD

When Sosthenese Behn, President of the International Telephone and Telegraph Company, was asked by Dr. Irvin Stewart, Chairman of the Telegraph Division of the Federal Communications Commission what has been the effect upon American interests of competition in the foreign field, that is, competition with the American communication companies, he replied:

"If I may use the word, making us ridiculous. That is really the answer. If I go to London to discuss something they consider what they want, and discuss it with the Western Union, the Radio Corporation and ourselves, and they play one against the other. That is true of France. It is true of Germany. It is true of Switzerland."

Dr. Stewart asked if the companies within the British merger had been better off or worse off or in about the same condition than they would have been if the merger had not taken place?

"I think they are distinctly better off", Mr. Behn replied. "In fact if the merger had not taken place, there would have been all kinds of failures, very disastrous conditions. And the British Government decided that it was in the best interest of the people, the public interest, to conserve these interests by unifying them."

"Is it a matter of keeping the cables from being junked?" Dr. Stewart inquired.

"The British Naval officers perhaps attach more importance to cables than our officials have. I certainly believe that the cables still have a part to play between shore to shore, but the radio has made great strides and I must admit we are very radio-minded, but we still believe the cables have a part to play, and that they will gradually be substituted and supplanted by radio, with the art developing as it is."

Addressing David Sarnoff, President of the Radio Corporation of America, Dr. Stewart said he thought perhaps a statement Mr. Sarnoff had made might be open to the interpretation that a merger would only be salvaging something for the owners of the cable.

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"I had not intended to make that statement but I have made it", Mr. Sarnoff replied. "That inference is inescapable. I would not recommend a merger for the purpose of salvaging the cables. I do say that a merger may save the cables."

Mr. Sarnoff said that he would not favor one company to control all forms of communication, - telegraph, telephone radio.

"I would favor one unified telegraph to compete with the present unified telephone company in its own field", the RCA head declared.

There was some extra entertainment for the spectators when later Mr. Sarnoff, discussing the matter of unemployment which might be caused by a merger said:

"I noticed in the testimony yesterday that Colonel Behn referred to the possibility of a few Vice-Presidents, perhaps, losing their jobs, but he said that was not important.

"I will go him one better and say that perhaps a few presidents might lose their jobs and that would not be important."

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#### CANADA CHARGES RADIO INTERFERENCE TO U. S.

The Canadian Radio Broadcasting Commission announced yesterday (Dec. 10) at Ottawa, the Associated Press reports, that representations have been made to Washington concerning the alleged blanketing of Canadian stations by stations in the United States. In particular, the Commission said many complaints had been caused by the blanketing of Station CFRS, in Toronto, by Station WLW, in Cincinnati.

The Commission requested that action be taken for the removal of such interference.

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*Heinl Radio Dept  
12/17/34 2:38 P.M.*

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL—Not for Publication**

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No. 783

*V P BPL*

ADVOCATES LAW CHANGED SO FCC NOT JUDGE AND PROSECUTOR

The Federal Communications Commission is one of the most perfect and complete amalgams of executive, legislative and judicial powers in the Federal Government, in the opinion of Louis G. Caldwell.

"Under the standard of 'public interest, convenience, or necessity', it makes the rules to which a broadcaster must conform, it acts as prosecutor, and sits as judge on the cases in which it is also the prosecutor", Mr. Caldwell asserted.

"Here let me mention an astounding paradox. The Commission has repeatedly held that it does not have the power to make any regulations governing the contents of programs or even advertising because of the prohibition against censorship in Section 29. Figuratively, in the same breath, it has warned broadcasters that it will take such matters into account in determining whether it will renew licenses. In other words, after listening to a mass of evidence adduced without formulated issues, the Commission will give an ex post facto judgment as to what should have been the rule the broadcaster should have known enough to abide by.

"Bad as would be the regulation-making power which the Commission disclaims, it would at least afford a measure of certainty as to the duties of the licensee. The strange thing is that both the power to renew licenses and the power to make regulations are governed by exactly the same phrase in the statute, 'public interest, convenience or necessity', but the phrase has a chameleon-like character."

Even without resorting to Section 29 forbidding censorship, Mr. Caldwell was confident that the phrase "public interest, convenience or necessity" will not bear the interpretation put upon it by the Commission in connection with renewal of licenses. He argued that perfectly good precedents can be found in decisions of the Supreme Court to show that it must be given a more restricted meaning, analogous to that given similar phrases in public utility statutes.

"It was never intended as a cloak for censorship. Yet that is exactly what it is being used for", Mr. Caldwell continued. "Those who are not familiar with the Commission's decisions would be shocked at the application of this standard to particular cases in which, as the result of defamatory utterances milder on the whole than those involved in the Minnesota Gag Law Case, broadcasting stations have been forever silenced.

"What are the results? One immediate and important consequence is that this state of the law forces the broadcasters themselves, or at least the more timorous among them, to exercise what some of you complain of as a private censorship over the speeches of those who use their microphones. This tendency is further encouraged by the prohibition against obscene, indecent or profane language on the Radio Act, and by the position taken by the Nebraska Supreme Court which held a broadcaster liable for defamation occurring in a political speech which it was forbidden to censor by Section 18 of the Radio Act."

Another important consequence is that the guaranty of free speech has ceased to keep pace with the progress of science, Mr. Caldwell declared. It still exists for the obsolescent public platform but not for great means of mass communication which is replacing it. This, in his opinion, is but another way of saying that freedom of speech has failed to keep abreast of freedom of the press, and the latter henceforth must carry the torch alone.

"I know of no justification for such consequences. The only justifications I have heard vanish like the Arabs when the facts are frankly faced", the speaker concluded. "I wish time permitted me to discuss in detail the remedies that seem called for. I have not given up hope, of course, that some day broadcasting will achieve a victory comparable to the Minnesota Gag Law Case. The present state of its rights is like the majority opinion in the Milwaukee Leader Case. It is interesting to note that in the cases both of the press and broadcasting, the defeats for liberty of expression have occurred in rulings by administrative officials enjoying a broad combination of executive, legislative and judicial powers, on one side the Postmaster General and on the other the Federal Radio Commission.

The statute should be amended if necessary. The Commission should issue licenses for the maximum period of three years permitted by statute. It should cease using proceedings on applications for renewal of license for discipline of licensees, and should employ revocation proceedings in which it will have the burden of alleging and proving specific misconduct. More important than all this, the law should be changed so that it would cease to be the judge in a case in which it is also the prosecutor."

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#### RAYBURN LIKELY TO HEAD HOUSE COMMUNICATIONS COMMITTEE

Representative Sam Rayburn out as a candidate for Speaker of the House of Representatives, appears to assure his again serving as Chairman of the Interstate Commerce Committee, which will have jurisdiction over communications matters in the House. Mr. Rayburn was the co-author of the 1934 Communications Act.

Rayburn's withdrawal from the Speakership race apparently left Representative Joseph W. Byrns, of Tennessee, victor in the field. The matter will be decided at a caucus January 2.

The Rayburn announcement was not entirely unexpected. There had been rumors of withdrawal ever since his return to Washington. His statement followed withdrawal of Representative John E. Rankin, of Mississippi, from the contest and precipitation of a rough and tumble scramble for the floor leadership.

The Rayburn statement was brief. "I am no longer a candidate for Speaker", he said. "There are no alibis. Under the circumstances, I cannot be elected."

Rayburn made a determined campaign for the speakership, with the reputed support of Prof. Raymond Moley, friend of the President, and some Administration officials. His chances began to wane as soon as the White House made definitely clear that the President would take no part.

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#### SAM PICKARD, COLUMBIA V-P, IN AUTO ACCIDENT

Sam Pickard, Vice-President of the Columbia Broadcasting System, and Mrs. Pickard, were victims of an automobile accident in New York Monday night. While both were painfully hurt and a facial operation was necessary in the case of Mr. Pickard, it is not believed the injuries to either are of a permanent nature. They are now at the United Hospital at Port Chester, N. Y. Harry C. Butcher, Washington manager of Columbia, who visited them, reports that both are doing nicely.

According to Mr. Butcher, Mr. and Mrs. Pickard, in a new Buick, had driven down from their home in Rye, to New York City, to take Mr. and Mrs. Charles Myers, of Station KOIN, Portland, Ore., to the theatre. After the performance, the Pickards drove Mr. and Mrs. Myers to their hotel and started back home. Mrs. Pickard was driving and Mr. Pickard sat beside her on the front seat. They were closely following a street car at 135th Street and Lenox Avenue at about 1 o'clock in the morning. The street car stopped suddenly and a truck at their side prevented turning out with the result that the Pickard automobile crashed into the street car.

Mr. Pickard was hurled through the wind-shield glass and badly cut about the head. Luckily his hat was pulled down and his eyes and a part of his head were thus protected. Plastic surgeons later had Mr. Pickard on the operating table for about 5½ hours. Mrs. Pickard suffered a broken knee-cap and the loss of several teeth.

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## PRESS-RADIO FOLD-UP PREDICTED

The future of the Press-Radio program is reported in extreme doubt in persistent rumors that have been going through the industry for the last few weeks. General dissatisfaction with the program, both on the inside of P-R, in the newspaper factions involved, and the outside, the broadcasters are said to be the principal factors involved.

"The story is that the program will be dropped within the near future or else changed radically", Billboard Magazine relates. "However, James Barrett, P-R manager, stated that he knew nothing about the reports.

"Internal dissatisfaction with P-R is credited mainly to the United Press. As was the case with the Hearst news services, UP was collecting heavily from radio stations for news service before the present setup was put through. Naturally that revenue went out the window when the broadcasters and publishers agreed on P-R. UP is now said to be champing at the bit again to go after that income. Another unverified report is that Universal Service and INS will shortly start feeding all Hearst stations feature stories, especially prepared for the outlets. This, obviously, could soon be changed to a direct news service.

"Another factor, but as yet under cover, is the Havas news agency, a French government subsidized organization. Latter service, it is said, has lost considerable revenue formerly earned in this country and is aching to get into the radio field directly. Havas now supplies Herb Moore's Trans-Radio with European matter. Havas is also said to have assumed an indirect interest in T-R, helping to pay for recent advertisements bought by the last-named service.

"If P-R were to blow up, it probably could not develop until early next year, after the Associated Press meeting, since any action taken involving AP must be oked by the Board of Directors. Final word on the UP angle would be up to Roy Howard. It is said UP wants the method changed so that it can go back into the radio news selling field.

"P-R now has about 222 stations and T-R 150."

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## BROADCAST ADVERTISING PROBABLY 15% GREATER THAN 1933

Broadcast advertising volume in October was the most promising in recent months. Total time sales amounted to \$7,377,084, in again of 39.3% above September. Regional networks continued their remarkable growth of business of recent months, while national network volume rose 77.0% as against September. National spot broadcast advertising increased 60.0% during the month, and local volume 27.8%.

Broadcast advertising during October of the current year was 28.5% greater than during the same period of 1933. National network advertising was 39.5% greater than during the same period of last year. Regional network advertising was materially higher in volume, while national spot business showed an increase of 17.3% over last October. National network advertising during the current month totaled \$4,527,002, a figure 5.5% greater than March, 1932, the previous peak of network advertising.

Following an unfavorable showing in recent months, local broadcast advertising in October finally exceeded that of the same period of the preceding year, rising to 7.0% above October, 1933.

If present trends are maintained, which seems probable, total broadcast advertising for the year should be approximately 15% greater than 1933, though still somewhat below the 1931 high for the medium.

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## BROADCASTERS TO MEET IN COLORADO IN JULY

Colorado has been decided upon as the place of the next annual meeting of the National Association of Broadcasters. This was the decision of the Board of Directors of the Association who met in New York last Wednesday and Thursday. The annual meeting will be held in either Denver or Colorado Springs during the early part of July. The city and the exact date has been left to the Executive Committee.

As the principal work of the forthcoming year, the National Association of Broadcasters will endeavor to organize a committee in every State. The Chairman of the State Committees will be a member of a National Committee. Philip G. Loucks, Managing Director, was ordered to concentrate upon this work and to visit the various States in order to speed up the organization. As a result of this, Mr. Loucks expects to put in a considerable amount of time during the next few months travelling.

State Committees of the NAB organized experimentally in New York and more recently in Alabama, are reported to have been highly successful as a result of which State organization will be undertaken by the Association on a nation-wide scale.

Owing to the illness of Joseph Hostettler, of Cleveland, copyright counsel, copyright matters which the directors expected to take up were deferred. The Copyright Committee was authorized to receive Mr. Hostettler's report at a later date and given power to act. Five new members of the Association were elected bringing the membership up to 375.

The following committees were appointed for the coming year:

COMMITTEE OF FIVE - Arthur B. Church, Chairman, KMBC, Kansas City, Mo.; Walter J. Damm, Station WTMJ, Milwaukee, Wis.; John Karol, Columbia Broadcasting System, New York City; Ed Kobak, National Broadcasting Co., New York City; John V. L. Hogan, Station W2XR, New York City.

COPYRIGHT COMMITTEE - A. J. McCosker, Station WOR, New York City; Isaac D. Levy, Station WCAU, Philadelphia, Pa.; Frank M. Russell, Station WRC, Washington, D. C.; I. Z. Buckwalter, Station WGAL, Lancaster, Pa.; Walter J. Damm, Station WTMJ, Milwaukee, Wis.

COST ACCOUNTING COMMITTEE - H. K. Carpenter, Station WHK, Cleveland; Walter J. Damm, WTMJ, Milwaukee; M. R. Runyon, WABC, New York City; H. F. McKeon, WJZ, New York City; R. W. Hoffman, WHFC, Chicago; Lewis Weiss, WJR, Detroit; J. H. Ryan, WSPD, Toledo; J. L. Kaufman, WINS, New York City; I. Z. Buckwalter, WGAL, Lancaster, Pa.

ENGINEERING COMMITTEE - J. A. Chambers, WLW, Cincinnati; C. W. Horn, WEAF, New York City; E. K. Cohan, WABC, New York City; E. L. Gove, WHK, Cleveland; John E. Durrell, KJBS, San Francisco; J. H. DeWitt, Jr., WSM, Nashville; Frank B. Falknor, WBBM, Chicago; Carl Myers, WGN, Chicago; John E. Fetzer, WKZO, Kalamazoo; Lynne C. Smeby, KSTP, St. Paul; John V. L. Hogan, W2XR, New York City; H. Harvey, KFAB, Lincoln, Nebr.; WLIT, James M. Nassau, Philadelphia; WIL, L. A. Benson, St. Louis; Hugh McCartney, WCCO, Minneapolis; Jim Middlebrooks, WAPI, Birmingham.

TAX COMMITTEE - E. M. Elkin, KDKA, Pittsburgh; P. J. Hennessey, WJZ, New York City; Sydney M. Kaye, WABC, New York City; A. Z. Moore, WKJC, Lancaster, Pa.; Edgar T. Bell, WKY, Oklahoma City; WJDX, Wiley P. Harris, Jackson, Miss.; Gerald King, KFWB, Hollywood, Cal.; Birt Fisher, KOMO, Seattle, Wash.

COMMERCIAL COMMITTEE - Arthur B. Church, KMBC, Kansas City, Mo.; Edwin M. Spence, WPG, Atlantic City, N.J.; John Karol, WABC, New York City; Ed Kobak, WJZ, New York City; Roy L. Harlow, WAAB, Boston; John Elmer, WCBM, Baltimore, Md.; I. R. Lounsberry, WGR, Buffalo; C. D. Mastin, WNBF, Binghamton, N. Y.; J. H. Ryan, WSPD, Toledo, Ohio; John L. Clark, WLW, Cincinnati; Robert A. Street, WCAU, Philadelphia, Pa.; Nathan Lord, WAVE, Louisville, Ky.; H. K. Carpenter, WHK, Cleveland; John F. Patt, WGAR, Cleveland; W. W. Gedge, WMBC, Detroit, Mich.; Gayle V. Grubb, WKY, Oklahoma City, Okla.; Martin B. Campbell, WFIA, Dallas.

Also, Hugh A. L. Halff, WOAI, San Antonio; H. W. Slavick, WMC, Memphis; S. E. Adcock, WROL, Knoxville; E. W. Carr, WDNC, Durham, N. C.; George F. Isaac, WGN, Chicago; D. E. Kendrick, WKBF, Indianapolis; J. O. Maland, WHO, Des Moines; Charles G. Burke, WDAY, Fargo, N. D.; Walter J. Damm, WTMJ, Milwaukee; Lester E. Cox, KGBX, Springfield, Mo.; G. C. Hamilton, KFBK, Sacramento, Cal.; H. J. Quillian, KOMO, Seattle, Wash.; Arthur J. Kemp, KHJ, Los Angeles, Cal.; Earl J. Glade, KSL, Salt Lake City, Utah; Arthur F. Kales, KECA, Los Angeles, Cal.; Ralph R. Brunton, KJBS, San Francisco, Cal.

Also, William S. Hedges, WEAF, New York City; Stanley Hubbard, KSTP, St. Paul, Minn.; Paul Keston, WABC, New York City; LeRoy Mark, WOL, Washington, D. C.; Fred Palmer, WBNS, Columbus, O.; Glenn Snyder, WLS, Chicago, Ill.; J. C. Henrahan, KSO, Des Moines, Ia.; S. G. Persons, WSFA, Montgomery, Ala.; Guy Earle, KNX, Hollywood, Cal.; C. W. Myers, KOIN, Portland, Ore.

Ex Oficio Members - J. Truman Ward, President, NAB; Philip G. Loucks, Managing Director, NAB; James W. Baldwin, Executive Officer, Code Authority for the Radio Broadcasting Industry.

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#### CONGRESS BROADCAST MUST AWAIT NEW SPEAKER'S CONSENT

Unless some tentative agreement can be reached with Representative Byrns, of Tennessee, and the other candidates for Speaker of the House of Representatives, the networks may be kept in hot water on the question as to whether or not they will be able to broadcast the opening of the new Congress Thursday, January 3.

Hitherto permission to station mikes at various points in and around the House and Senate floors has been sought and obtained from the Speaker of the House of Representatives, usually a hold-over from the previous session. This year, because of the death of Speaker Rainey, with a Speaker yet to be elected, both the National Broadcasting Company and Columbia Broadcasting System must wait until the eleventh hour before obtaining actual permission. Although both systems are now completing usual plans to broadcast the event, there is no one in authority now to say "yes" or "no." Consequently both chains must obtain final word on January 2, if the election of Majority Leader Byrns as Speaker is conceded at that time.

With Bob Trout for Columbia in the House library room, and Carleton Smith for NBC in the House record room, both systems will handle the event as in former years with additional mikes stationed at strategic points to bring listeners accounts of actual election of the new Speaker; administration of his oath of office; swearing in of new members, and adoption of various resolutions. The broadcast at present is scheduled for 11:30 A.M. January 3, with possibility of a broadcast of the joint session the following day.

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## ABS NETWORK EXECUTIVES MEET IN N. Y.

The American Broadcasting System set a precedent in network radio practise last Tuesday when, for the first time, an entire network was fully represented at a meeting of the owners and operators of the stations affiliated with the system. The meeting was called in New York by George B. Storer, President of ABS, for a discussion of efficient coordination of operations and for a round table exchange of mutual problems relating to the new network and the member stations, as well as coordination of station and network promotion and rate practices.

The delegates at the session were from the entire territory of the ABS network, extending from Washington to Boston and Buffalo in the East and North and to St. Louis and Chicago in the West, and including the principal markets of the nation. Mr. Storer presided at the meeting, which was held in the Waldorf Astoria Hotel.

The results of and the listener and station reactions to the first six weeks of operation of the new network were an important part of the discussion. The station owners and operators expressed their views with relation to their local broadcast areas, the developments they are effecting individually and as network units.

Attending the meeting with Mr. Storer as representatives of ABS, were James K. Norris, Vice-President and Treasurer; Fred Weber, Vice-President in Charge of Network Operations; Albert A. Cormier, new Vice-President in Charge of Sales, and Edward Aleshire, recently appointed Vice-President in Charge of Sales Research and Development.

The representatives of the affiliated stations were: Alfred Pote, Managing Director and Operator, and William Pote, WMEX, Boston, Mass.; William S. Cherry, Jr., President, WPRO, Providence, R. I.; William J. Pape, President, WLXBS, Waterbury, Conn.; Benedict Gimbel, Jr., President, WIP, Philadelphia, Pa.; Clair R. McCollough, President, WDEL, Wilmington, Del.; John Elmer, President, WCBM, Baltimore, Md.; H. J. Brennen, President, KQV, Pittsburgh, Pa.; Robert M. Thompson, Commercial Manager, KQV, Pittsburgh, Pa.; H. H. Howell, President, WEBR, Buffalo, N. Y.; Roy Albertson, General Manager, WEBR, Buffalo, N. Y.; Ralph G. Matheson, Treasurer, WHDH, Boston, Mass.; Harold E. Smith, President, WABY, Albany, N. Y.; Ralph L. Atlass, President, WIND-WJJD, Chicago, Ill.; William A. Clark, Manager, WFBE, Cincinnati, Ohio; James L. Hughes, General Manager, WHBF, Rock Island, Ill.; L. A. Benson, President, WIL, St. Louis, Mo.

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SAID HE WAS "DEAC"

The following appeared in the column of Kay Ware, who covers the night clubs for the Washington Post:

"The Heigh-Ho Club entertained Ina Claire, Glibert Miller and members of the cast in local play Monday night. Assistant Stage Manager James Donohue keeps watchful eye on Miss Claire.

"Also floating around that evening was a gentleman who presented himself as Milton H. Aylesworth, of New York, NBC-RKO president. Introduced himself to James Struthers, dancing there, to Pete Macias, neither of whom could identify him as the original. Every time someone who knew Mr. Aylesworth tried to find him, he had disappeared."

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POWEL CROSLEY SCORES VICTORY IN NIGHT BASEBALL

Breaking down a barrier which they themselves had set up against the innovation several years ago when it became the rage among the minor leagues, the club owners of the National League in New York voted to admit night baseball on a limited scale.

Powel Crosley, Jr., radio manufacturer and owner of the "Cincinnati Reds" was the leader in the night opening movement.

Under the new rule, as it was explained by President Ford C. Frick, each club is privileged to stage up to seven night games at home during the course of the 1935 championship season.

"Powel Crosley, owner of the Cincinnati Reds, led the fight for the acceptance of night baseball and scored a rather amazing victory in view of the league's set stand against the matter several years ago when it swept like wildfire through the minor leagues", John Drebinger writes in the New York Times.

"Crosley, however, fortified with weighty statistics which showed the tremendous disadvantage under which clubs of the smaller cities in the circuit operated, apparently carried the day by the sheer force of his argument. In Cincinnati, during 1934, he pointed out, 70 per cent of the Reds' gross home attendances for the year was recorded on only fifteen playing days, these including opening day, Sundays and holidays."

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## I. T. & T. SHOWS \$1,457,398 NINE MONTHS' PROFIT

The International Telephone and Telegraph Corporation reported this week for the nine months ended on Sept. 30, a consolidated net income of \$1,457,398 after all charges, minority interest and other deductions. This was equal to nearly 23 cents a share on 6,339,002 shares of stock. For the same period last year the company reported a net loss of \$239,223. Gross earnings in the nine months this year amounted to \$57,493,173, compared with \$52,416,203 in 1933, and included \$266,363 of non-recurring income. Operating revenues of communications companies and gross profit on sales of manufacturing companies totaled \$50,854,849 per the period, and other revenues included \$2,933,323 income from Spanish National Telephone Company as interest, dividends and fees for service, and \$1,465,047 from affiliated companies.

The Postal Telegraph and Cable Corporation reported for the nine months a net loss of \$1,051,280 after all interest charges, including non-recurring income of \$266,363, comparing with a net loss of \$1,142,079 for the same period in 1933.

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## "O. H." ADVISES XMAS SHOPPERS

Christmas shoppers will get a suggestion, and some practical advice about how to select a new radio set as a gift when they hear Orestes H. Caldwell, editor of Radio Retailing and former Federal Radio Commissioner, over an NBC-WEAF network on Monday, December 17.

New radio receiving sets will bulk large in the gift buying which is expected to make this the biggest Christmas shopping season since 1929, according to reports of manufacturers. Caldwell will explain briefly the essential qualities of a good set and the tests to make to assure that the buyer's requirements are met. He will speak at 6:35 P.M., E.S.T., from the NBC studios in Radio City.

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## DECISIONS OF THE FCC BROADCAST DIVISION

December 11 - APPLICATIONS GRANTED - WKBO, Keystone Broadcasting Corp., Harrisburg, Pa., C.P. to make changes in equipment and increase daytime power from 100 to 250 watts; WMBF, Howitt-Wood Radio Co., Inc., Binghamton, N.Y., C.P. to make changes in equipment and increase power from 100 watts to 100 watts night, 250 watts, LS; WKBZ, Karl L. Ashbacker, Muskegon, Mich., C.P. to make changes in equipment and increase power from 100 watts to 100 watts,

250 watts, LS; WIBU, Wm. C. Forrest, Poynette Wis., C.P. to make changes in equipment and increase day power from 100 to 250 watts; KRE, 1st Congregational Church, Berkeley, Cal., C.P. to make changes in equipment and increase day power to 250 watts; KLO, Interstate Broadcasting Corp., Ogden, Utah, C.P. to install new equipment; WSPA, d/b as The Voice of South Carolina, Spartanburg, S. C., modification of C.P. approving transmitter site in Spartanburg; KFRO, Voice of Longview, Longview, Tex., modification of C.P. to make changes in equipment and move station to about  $\frac{1}{2}$  mi. city limits of Longview on Greet St.; WIBA, Badger Broadcasting Co., Inc., Madison, Wis., 60 day extension of special temp. experimental authority to use 1 KW night; WMAQ, National Broadcasting Co., Inc., Chicago, Ill., modification of C.P. extending commencement date to Dec. 3, 1934 and completion date to April 4, 1935.

Also, KLZ, The Reynolds Radio Co., Inc., Denver, Colo., modification of C.P. extending commencement date to Dec. 1, 1934, and completion date to April 1, 1935; KGIX, J. M. Heaton, Las Vegas, Nevada, modification of C.P. extending completion date to Feb. 2, 1935; WSUI, State University of Iowa, Iowa City, Ia., modification of license increasing daytime power from 500 watts to 1 KW, and change hours of operation from specified to unlimited; WFEA, New Hampshire Broadcasting Co., Manchester, N. H., license covering increase in day power from 500 w. to 1 KW, unlimited time; WNBX, WNBX Broadcasting Corp., Springfield, Vt., license covering increase in power and hours of operation of daytime only to daytime until sunset at Erie, Pa., and changes in equipment, 1260 kc., 1 KW; WHDL, Tupper Lake Broadcasting Co., Inc., Olean, N. Y., license covering move of station from Tupper Lake to Olean, N. Y., 1420 kc., 100 w. daytime.

Also, WBNS, WBNS, Inc., Columbus, O., license covering local move, 1430 kc., 500 w. night, 1 KW day, unltd.; WIBM, WIBM, Inc., Jackson, Mich., license to cover changes in eqpt. and increase in daytime power to 250 watts, 1370 kc., 100 w. night, unltd.; WJBK, Jas. F. Hopkins, Inc., Detroit, Mich., license covering changes in eqpt. and increase in daytime power, 1500 kc., 100 w. night, 250 w. day, unltd.; WRAK, WRAK, Inc., Williamsport, Pa., license covering local move, making changes in eqpt., and increasing daytime power to 250 watts, 1370 kc., 100 w. night, unltd.; KYW, Westinghouse E. & M. Co., Philadelphia, Pa., license covering move of station from Chicago to Philadelphia, and installing new eqpt., 1020 kc., 10 KW, unltd. time; KGRS, E. B. Gish (Gish Radio Serv.), Amarillo, Tex., license covering changes in eqpt. and increase in daytime power from 1 KW to  $2\frac{1}{2}$  KW, 1410 kc., 1 KW night, specified hours; WJBC, Kaskaskia Broadcasting Co., Bloomington, Ill., license covering move of station from LaSalle, Ill. to Bloomington, Ill., 1200 kc., 100 w., shares with WJBL.

Also, KFWB, Warner Bros. Broadcasting Corp., Hollywood, Cal., license covering changes in eqpt. and increase in day power from 1 KW to  $2\frac{1}{2}$  KW, 950 kc., 1 KW night, unlimited; KOIN, KOIN, Inc., Portland, Ore., license covering changes in eqpt. and increase in daytime power from 1 KW to  $2\frac{1}{2}$  KW, 940 kc., 1 KW night, unltd.; WFBL, Onondaga Radio Broadcasting Corp., Syracuse, N. Y., modification of license increasing day power from  $2\frac{1}{2}$  to 5 KW.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

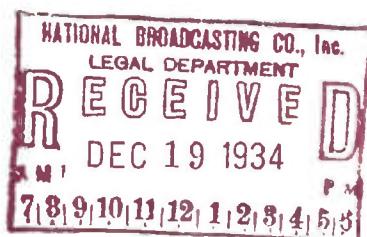
WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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No. 784



December 18, 1934.

## REP. CELLERS ABANDONS BROOKLYN STATION BOARD

Completely reversing himself in a declaration he had made that newspapers should not be allowed to own and operate radio stations, Representative Emanuel Cellers, of Brooklyn, resigned as Chairman of the Board of Broadcasters of Brooklyn, Inc., which proposed to merge Brooklyn stations WARD, WLTH and WVFW.

Early this year Examiner Ralph L. Walker had recommended that these stations, along with WBBC, also sharing time on the channel, be deleted for alleged failure to serve public interest. All these stations are on 1400 kc. frequency.

Under the consolidation play, in addition to Representative Celler as Chairman, Rabbi Aaron Kronenberg, of WARD, would become President of the new organization, with Salvatore de Angelo, of WVFW, as Vice-President, and Samuel Gellard, of WLTH, as Secretary-Treasurer.

Further hearings were ordered, the principal applicant for the 1400 kc. frequency being the Brooklyn Daily Eagle, which closed Tuesday, December 11.

The New York Congressman said that he did not disapprove of the Eagle as a newspaper, but that he did not believe that any newspaper should own or operate radio stations.

"It is a matter", said Mr. Celler, "fraught with a great deal of danger, the greatest freedom should be given to the dissemination of news. There should be as many as possible owners of radio facilities and newspapers, so that there can not be any combination that will narrow that type of dissemination."

"Newspapers should stick to their own knitting", he emphasized. "They should not own and operate stations, and I would be for legislation which would absolutely separate them."

"I do not believe that a newspaper's function is to control radio. It would be a dangerous thing in this land if newspapers could reach out for mastery not only into the news columns but in the dissemination of news, and whatever goes over the radio. That is a question of policy that I think I am well qualified to dwell upon", he said.

Representative Celler several days later, however, announced his resignation as Chairman of the proposed consolidation saying that he had changed his opinion with regard to newspaper ownership of radio stations. Prior to Congressman Celler's announcement the following editorial appeared in the Editor and Publisher:

Before the Federal Communications Commission this week appeared Congressman Emanuel Celler, of Brooklyn, saying he did not believe in newspaper ownership of any radio station, that newspapers should 'stick to their own knitting', that newspaper publication plus radio operation was an excess of power which should be attacked by Federal legislation.

"It is well to let a little light fall on this curious piece of statecraft at Washington. It seems that the Commission is considering the application of one Aaron Kronenberg, a Brooklyn butter and egg merchant and owner of a radio station WARD, to merge his radio outfit with two other local stations, namely WVFW and WLTH. In the new merged company the butter and egg man would be President and lo! behold! Congressman Celler would be Chairman of the Board. What stands in the way is the Brooklyn Eagle Broadcasting Company's application for a license to operate its station full time on the wave-length used by the others.

"Observe, in these circumstances, how quickly the political philosophy of the Congressman conjured up a plausible objection based on supposed public policy. It was not meet that a newspaper should have too much publicity power. Newspapers should attend to their own knitting. And so forth.

"We have no doubt the Federal Communications Commission will be able to penetrate the motives of the Congressman from Brooklyn, and fairly decide that issue, but the incident serves to remind us of Senator Dill's recent outburst on the right of radio to publish newspaper news in advance, and indeed the whole matter of the impudent disregard of the newspaper-radio news agreement by independent broadcasters is again brought in view. Senator Dill has used his power to encourage the independents to go into the news business and it is more than an interesting coincidence that he, too, has a covetous eye on radio profits. Indeed, he is going into the business.

"The question is: Can the radio interests control the independent broadcasters? The air is now heavy with news, near news, so-called news from independent stations. This fact is well known to the major radio interests and to the Federal Communications Commission. When the radio-press agreement was reached in New York the major radio interests were promising to bring the independents into line. The opposite has happened. The independents immediately started to organize news systems. They act as if free of all restraint, either by government or by radio.

"It seems to us that the press is being extraordinarily patient with this condition. If a radio-press gentleman's agreement will not hold, maybe a Federal Communications Commission order to compel the independents to observe limitations in regard to news would be effective. There must be some way by which butter and egg independents, with their congressional advocates, can be made responsible. After all, there are some genuine public policies to be conserved, more important by far than the little profits of any independent broadcasting station."

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## TELEVISION TO AWAKEN ART APPRECIATION, SARNOFF SAYS

Among the thrilling possibilities which radio has in store is television, David Sarnoff, President of the Radio Corporation of America, said in an address, "Art in the Radio Age", delivered at the College of Fine Arts at New York University.

"Think what an impetus to the cultural influence of broadcasting, as well as to its entertainment possibilities, will be produced by that event", Mr. Sarnoff, who is a member of the University's Council, went on. "Talks on architecture, which are now broadcast by sound alone, will then be supplemented by television pictures in which the audience may see the famous buildings of which they are being told. Listeners will be able to watch the performance of the opera they are hearing. A play on Broadway may be seen by an audience in Arizona.

"If we let our imaginations plunge ahead, we may also dream of television in faithful colors. I believe that dream will come true one day, and when it does, every home equipped for reception can at certain times become an art gallery. We may then be shown reproductions of the treasures of the Metropolitan and the Louvre and have them interpreted to us as we sit by our firesides and see them through the air. A new art appreciation will thus be awakened.

"Ours is an era which fosters genius, multiplies its opportunities for appreciation, and spreads its influence over the entire world. Through broadcasting, sound motion pictures, the electrified phonograph, and ultimately through television, radio is providing conduits through which greater quantities of art may flow than ever before.

"The radio age holds out that chance. Under the influence of its offerings, public taste has been immeasurably improved. The improvement reflects itself in the demand for better and still better programs - a demand which is healthy and encouraging. Radio's greatest advantage over architecture is in the elasticity of its medium. Its pattern need not be set in stone and steel. Day by day and year by year it may meet the changing demands of its patrons.

"For their future development, the arts must be entrusted to the vision and skill of the rising generation. At their hand lies an almost miraculous means of communicating their creative gifts to the masses.\* \* \* Art in the radio age, is a challenge to the genius of the artist and the vision of the educator."

"In its youthfulness, radio typifies the eager stride of today. It is only natural that the rhythm of radio should be echoed in the pulse beats of our art students. Those students and this new social force are sharing the rich spring of life together. Radio as faithfully reflects their times as the

railroads, pushing across the wide expanses of our country, reflected the day of their grandfathers."

"Radio, perhaps more than any other industrial art, can claim kinship with the fine arts", Mr. Sarnoff pointed out. "On its wings, the messages of music and education speed to uncounted millions. It brings the symphony orchestra to the lonely farm house. It carries poetry and drama to the most isolated hamlet. With the speed of light, the ether wave carries art's treasures to all who may wish to receive them.

"The arts sprang from the people, and through its mass distribution, radio is giving the cultural arts back to the people."

"In our very midst, at Rockefeller Center, Radio City stands as architecture's dramatic contribution to the radio age. It is a business venture in every way in harmony with the living present. Its buildings combine the latest developments of material and construction for efficient daily use. The sheer beauty of their towering surfaces is severe and restrained, but their popular appeal brings a steady stream of visitors from all over the world."

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#### DEFEATED CONGRESSMAN PREDICTS STATION LICENSE FEES

Charging his defeat in the last election to the "power and radio trusts", Representative Edgar Howard, Democrat, of Nebraska, declared that he would take an active part in seeing that a bill was put through Congress to require radio stations to pay a license fee. Mr. Howard, who has been in Congress since 1923 and before that was the editor of the Papillion (Nebr.) Times, says that he will not be able to introduce the license fee bill in the House but that several representatives, whose names he said he did not care to reveal, would do it early in the year.

Mr. Howard, who was formerly secretary to the late William Jennings Bryan, and who resembles in appearance the late Franz Liszt, the composer, is now editor and owner of the Columbus (Nebr.) Telegram. He says that he proposes to return to Nebraska but will continue to back up his colleagues by editorials in his paper.

"I have advocated a tax on broadcasting stations for years", Representative Howard declared. "I'm not complaining about my defeat by radio and other interests. I am used to that but I feel nevertheless that broadcasting stations should be made to pay their way and I think you will see such a law put on the books in the next Congress. Because it is a revenue raising matter, the measure will be considered by the Ways and Means Committee. The stations do not now pay for the use of God's

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own radio waves and they have had a free ride about long enough."

Senator Dill proposed some such measure several years ago and when asked about it yesterday, said:

"I think the stations ought to pay a license fee and I think they would be glad to do it."

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#### EVERYTHING LOOKS O. K. TO RMA PRESIDENT FOR 1935

That the radio industry faces the New Year in a particularly fortunate position, is the Christmas greeting of Leslie F. Muter, President of the Radio Manufacturers' Association.

"Prices, with a few exceptions, have improved", President Muter reports. "Code matters are slowly but surely reaching a more favorable basis. National industry sales promotion has been approved and started. Interference reduction has been inaugurated for the public on an extensive scale. The new all-wave receivers have provided the industry with the best sales stimulus it has enjoyed in many years. To those who are developing these programs and the many other RMA activities which greatly benefit the industry, I am sure we are all very appreciative."

Until the pending RMA application for an independent code for the entire Radio Industry is settled, no action will be taken by the National Recovery Administration on proposed supplemental codes for separate groups of radio manufacturers.

An effort to unsnarl and definitely fix the NRA code status and operations of radio cabinet manufacture is being made by the NRA, the RMA and the furniture industry. The matter is now before the general board of NRA for a final ruling so far as specialty cabinet and furniture manufacturers are concerned, as the electrical code will continue applicable to radio set makers who manufacture their own cabinets.

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## DILL STILL HOPES TO ESTABLISH RADIO NEWS SERVICE

Senator Dill, of Washington State, upon his return to Washington, D. C., this week reiterated that he hopes "to assist in the building up of a nationwide and worldwide radio news service (i.e. furnishing news to stations to broadcast).

"I do not intend to finance a service myself, however. I think that is about all I care to say about my plans in connection with the news project, at this time."

"Upon his retirement from the Senate January 3, Senator Dill will open up a law office in the Munsey Building in Washington to practice before the Government departments and says he will continue to take an interest in radio.

"I am not fully determined as to how active I shall be in connection with radio", he said, "but will continue to take an active interest in its development and particularly in the legal questions that arise in relation to radio and the public."

An article in the current issue of the Saturday Evening Post (December 15) by Senator Dill, "Why I Quit the Senate", seems to be an answer to reports that if Judge E. O. Sykes is eventually appointed to the District Court of Appeals that Dill might succeed him as Chairman of the Federal Communications Commission. One gathers, after reading the Post article, that Senator Dill has had what Sam Bernard, the old German comedian used to regard as "Sufficiency."

It is an extremely readable article of which the proud comment of Senator Dill, himself a former newspaper man, was, "And I got paid for writing it." This really is an accomplishment to be proud of when it is known that most Senators, when retiring, are lucky if they get six lines in agate in the home paper and here's a man who not only gets away with two full pages in the Saturday Evening Post, but actually gets paid for doing it.

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## SAYS PHILADELPHIA ORCHESTRA OVERLOOKED RADIO

In his bill of complaints in the Philadelphia Symphony Orchestra row, Leopold Stokowski said that this year the Orchestra neglected its best asset - radio.

"During the past few years the Philadelphia Orchestra has definitely lost status with reference to broadcasting", Mr. Stokowski wrote to the Directors. "It is imperative that we regain the ground that has been lost. I am investigating the question of (1) a comprehensive, sustaining program for next year, and (2) a commercially sponsored program.

"You are all familiar with the fact that the New York Philharmonic Orchestra receives approximately \$40,000 each season for the broadcasting of its Sunday afternoon concerts. In the field of commercially sponsored programs there are excellent possibilities. I have been told that approximately \$375,000 is to be paid by a commercial sponsor for broadcasting the Metropolitan Opera.

"We began last season with a deficit. We ended the season with no deficit because of good broadcasting arrangements. Even in these troubled times there need be no deficit whatever in the orchestra's work. With a good contract, it might even be possible to reduce the price of the concert tickets."

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#### TWO BEACONS ON WOR TRANSMITTER PUT IN OPERATION RECENTLY

To guide flyers safely on their way and add a comforting touch of light to the country-side around North and South Rahway, two 500-watt lights have been placed in operation on the two 400 foot towers of the new WOR 50,000-watt transmitter soon to go in operation in Carteret, New Jersey.

These lights have been installed to indicate to aviators flying the Newark to Washington route that they are in the vicinity of the new WOR transmitter. In addition to these lights, there will soon be placed in operation, a thousand watt red revolving beacon located on top of the transmitter building. These lights are visible from the Empire State Building in New York which is located 16 miles northeast of the Carteret site. They are also visible from practically all points in Essex and Union Counties. As soon as the remaining equipment is installed, these lights will blink alternately.

Planes coming from Washington can point out to passengers that Newark is just nine miles beyond the beacon lights of WOR.

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#### MORE RADIOS THAN TELEPHONES?

A banner crop of radios was produced by the radio industry in 1934, says Science Service. Four and one-half million new sets were added to those already in use, to bring the total for the nation up to 19,000,000. This is 8,000,000 more radios than there are home telephones. The 19,000,000 sets do not include those in homes having two and three sets, nor some 2,000,000 sets now installed in automobiles, according to the trade journal, Electronics.

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::::: INDUSTRY NOTES ::::  
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Addressing the Crime Suppression meeting in Washington, J. Edgar Hoover, of the Department of Justice, said that one means of bringing about closer coordination was the development of a national teletype or radio broadcast system of police intercommunication.

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WJW, Akron, joined ABS network last Saturday and started to broadcast the American Broadcasting System programs in the world rubber capital of Ohio. The station is owned and operated by William T. Jones, Samuel Townsend and John F. Weimer.

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Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters, was highly commended at the Board meeting in New York City for the thorough and scholarly manner in which he presented the Broadcasters' side of the case to the Federal Communications Commission at the recent educationz1-religious hearing.

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"Lavender and Old Lace", (Bayer's Aspirin), and "Melodiana" (Phillips Dental Magnesia) two half-hour programs which together fill the hour from 8:00 to 9:00 P.M. EST, each Tuesday night on the WABC-Columbia network, will continue on the above schedule due to contract renewals effective Tuesday, January 1.

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Major K. K. V. Casey, Sales Manager of the E. I. du Pont de Nemours Company, expressed "a purely personal observations" at West Chester, Pa. that aerial torpedoes, controlled by radio, might be used in the next war.

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The executive said he foresaw this possibility from experiments made in various parts of the world with planes flown by radio control, without a pilot in the fuselage.

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After repeated protests from the united forces of the amusement business, the Standard Oil Company of New Jersey has abandoned its free performances of the Guy Lombardo road show and will book it in theaters as an added stage attraction at regular admission prices. It will be known as the Guy Lombardo-Esso Marketers Revue.

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FEDERAL MOVE SETTING ASIDE DEPRECIATION ORDER CITED

Order of the Federal Communications Commission setting aside the telephone companies depreciation ruling of the Interstate Commerce Commission was characterized as of "great importance" to State Commissions throughout the country and of particular importance to Washington, D. C. telephone users in a statement by William A. Roberts, people's counsel, of the District of Columbia.

"The order", Mr. Roberts said in a memorandum to the District Public Utilities Commission, "is of great importance because it relieves the overshadowing influence of the Interstate Commerce Commission's orders as to depreciation and places the burden of proving the correctness of depreciation rates, insofar as they affect local regulation, upon the companies rather than on the State Commission.

"In the District of Columbia, where a study of depreciation rates has been under way for approximately six months, this is of the greatest importance as it leaves the local commission with a free hand to act in fixing reasonable depreciation rates and preventing unreasonable charges for this purpose.

"Even more important than the definite action of the Communications Commission is the cooperative and responsive attitude shown by that body in this, the first of its orders on the subject. It augurs well for effective regulation in the future."

The statement of the people's counsel was issued in response to a Communications Commission order which said "that the estimates of composite percentage rates submitted by telephone companies to the State Commissions and to this Commission are for the information of the several Commissions, but shall not be deemed to be *prima facie* correct."

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CITY SALES TAX ON ACTUAL CASH ONLY

In New York City in the 2 percent New York City tax on sales of radios, autos and other articles involving a trade-in, it is proposed to tax only the actual cash involved in the transaction.

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## VARIABLE IMPEDANCE MATCHING FOR ALL-WAVE RECEPTION

A further refinement in noiseless antenna systems for all-wave reception is offered in the variable impedance matching of downlead to receiver. This feature is made possible by an accessory applicable to any doublet antenna and receiver for the first time. The knob adjustment brings about the precision balance between antenna system and receiver for greatest sensitivity and loudest signals, while reducing still further any remaining noises.

Known as the TACO Noise Rejecter, the variable impedance matching unit is a development of antenna specialists, Technical Appliance Corp., 27-26 Jackson Avenue, Long Island City, N. Y.

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## EDITOR PICKED AS NBC AGRICULTURE HEAD

William E. Drips, Associate Editor of Wallaces' Farmer, has been appointed Director of Agriculture for the National Broadcasting Company in Chicago, to succeed Frank E. Mullen, who has taken a position as head of the Department of Information with the Radio Corporation of America in New York City.

Drips, a veteran farm paper man and widely-known in the field of agriculture, has served with the Des Moines, Iowa, farm publication twelve years, previously teaching agricultural journalism at Iowa State College for three years, and operating a farm in Clinton County, Iowa for four years. He was born in South Dakota and graduated from the University of Wisconsin Agriculture College and studied journalism three years at the University of Washington.

As head of NBC's agricultural department, Drips will supervise the National Farm and Home Hour which Mullen originated in 1928 and has directed through almost 1,900 programs.

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## APPLICATIONS GRANTED BY BROADCAST DIVISION, FCC

December 18 - WFDF, Flint Broadcasting Co., Flint, Mich., C.P. to install new equipment; WQAM, Miami Broadcasting Co., Miami, Fla., C.P. to move auxiliary transmitter to location of main transmitter in Miami; WRGA, Rome Broadcasting Corp., Rome, Ga., C.P. to make changes in equipment and increase day power from 100 to 250 watts; WTCN, Minnesota Broadcasting Corp., Minneapolis, Minn., C.P. to make changes in equipment and increase day power from 1 KW to 5 KW, subject to compliance with specifications of the Air

Navigation Division, Dept. of Commerce, as to marking and lighting the towers; WNAX, The House of Gurney, Inc., Yankton, S. Dak., C.P. to make changes in equipment and increase daytime power from  $2\frac{1}{2}$  to 5 KW, and to move station locally (570 kc., 1 KW night, unltd.); WMFF, Plattsburg Broadcasting Corp., Plattsburg, N. Y., modification of C.P. to make changes in equipment; extend commencement date to 10 days after this date, and completion date to 60 days hereafter; WOR, Bamberger Broadcasting Service, Inc., Newark, N. J. modification of C.P. extending completion date to Feb. 16, 1934; KWTN, The Greater Kampeska Radio Corp., Watertown, S. Dak., modification of C.P. extending completion date to Jan. 1, 1935; KHJ, Don Lee Broadcasting System, Los Angeles, Cal., modification of C.P. to increase day power from  $2\frac{1}{2}$  to 5 KW; KFRC, Don Lee Broadcasting System, San Francisco, modification of C.P. to increase day power from  $2\frac{1}{2}$  to 5 KW.

WABY, Adirondack Broadcasting Co., Inc., Albany, N. Y., license covering move of station from Hudson Falls to Albany, 1370 kc., 100 w., unlimited time; WHJB, Pittsburgh Radio Supply House, Greensburg, Pa., license covering new station, 620 kc., 250 watts, daytime; WQAM, Miami Broadcasting Co., Miami, Fla., license covering local move of station, 560 kc., 1 KW, unlimited time; WBEO, The Lake Superior Broadcasting Co., Marquette, Mich., modification of license to make change in specified hours; NEW, Bamberger Broadcasting Service, Inc., Mobile (Newark, N. J.), C.P. to operate in broadcast pickup service on frequencies 31100, 34600, 37600, 40600 kc., 25 watts; W2XR, John V. L. Hogan, Long Island City, N. Y., modification of license to change name of business to John V. L. Hogan, d/b as Scientific Broadcasting Service.

#### Action On Examiner's Report

New - H. E. Studebaker, Lewiston, Idaho, granted application for C. P. to construct a broadcast station at Lewiston, Idaho, to operate on 1420 kc., 100 watts, sustaining Examiner Geo. H. Hill.

#### Miscellaneous

WSPD, Toledo Broadcasting Co., Toledo, Ohio, denied petition to intervene and become a party to the hearing of the application of WALR Broadcasting Corp., for C.P. to move its station from Zanesville to Toledo; WTJS, The Sun Publishing Co., Inc., Jackson, Tenn., dismissed with prejudice its application for the facilities of WNBR since request for withdrawal was not made until 4 days before the time set for hearing and WNBR had expended considerable sum in preparation of its case; WLXBS, American Republican, Inc., Waterbury, Conn., granted license covering new station, 1530 kc., 1 KW, unlimited time (action taken Dec. 11, 1934); WKEU, Radio Station WKEU, LaGrange, Ga., designated for hearing application to move station to Griffin, Ga. to operate during unlimited daytime hours because of protest filed by Station WRGA, Ga., Rome; grant heretofore made, subject to protest, was suspended.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

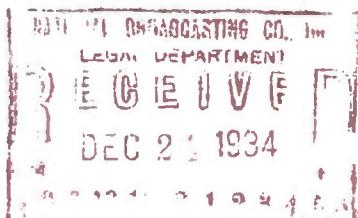
WASHINGTON, D. C.

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## NEW CONGRESS MAY CREATE COMMUNICATIONS COMMITTEE

Because of the divided authority in the House between the Merchant Marine and Radio Committee, of which Representative Schuyler Otis Bland, of Virginia, is Chairman, and the Interstate and Foreign Commerce Committee, headed by Representative Sam Rayburn, of Texas, a movement is under way to have a House Committee appointed to have exclusive jurisdiction over communications.

Up to the time the Communications Commission was created, the radio authority in the House was lodged in the Merchant Marine, Radio and Fisheries Committee. It went there through the fact that wireless, which afterwards developed into radio, first came into use for S.O.S. calls aboard ships. Due to the fact that the Communications Commission bill carried with it wire communications, as well as wire, including cable, telephone and telegraph, it was referred to the Interstate Committee. There was a sharp clash over this between Representative Rayburn and Judge Bland, but the former won out.

The question of communications jurisdiction in the House will again be raised in the new Congress, and the creation of a new Communications Committee will be offered as a solution of the difficulty. An additional reason for the need of the new committee will be that the House Interstate and Foreign Commerce Committee is already badly overburdened and has not the time to devote to communications, a subject of sufficient importance to require the attention of a special standing committee.

If such a committee were to be appointed, there would be no chance that either Representative Rayburn, or Judge Bland, who are the dominating men in the House in communications now, would be its Chairman. Mr. Rayburn could not be appointed to the new committee without giving up the Interstate and Foreign Commerce Committee, because anyone who serves on that committee is not allowed to serve on any other committee. It is what is known as an exclusive committee. Naturally, the Texas Representative wouldn't give up the Chairmanship of an old established committee like Interstate and Foreign Commerce for that of a newly created Communications Committee.

While Judge Bland would be eligible to serve on the Communications Committee, since his own committee is not exclusive, he said that he would not give up the Chairmanship of the House Merchant Marine, and Fisheries Committee if the chairmanship of a new Communications Committee were offered to him.

It was said at the office of Representative Rayburn that a movement to create a House Communications Committee "would not get very far". On the other hand, Judge Bland said that the creation of such a committee next session was "well within the realm of possibility."

The creation of new Standing Committees in the House of Representatives is a rare event. One of the last committees to be added was the Veterans Bureau Committee following the World War.

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#### EVERY SECOND NEW ZEALAND HOME SOON TO HAVE RADIO

Stimulated interest in radio reception has lately been evident in New Zealand, according to a report from Vice Counsul W. W. Orebaugh, Wellington.

During the six-month period ended September 30, it is pointed out, sales of receiving sets in the Dominion exceeded those for any similar period in recent years. The increased purchase reported all over the country, the Vice Consul states, is due partly to the improved economic outlook, but much of the increase has resulted from the growing interest in short-wave reception. Short-wave sets are now more in demand than they have ever been and indications are that this demand will continue for some time.

At the end of last June, according to official statistics, there was one radio set for approximately 2.7 houses in New Zealand. It is believed locally that every second home in the country will soon be equipped with a receiving set. At the end of July, there were 133,000 radio receiving sets registered. In the July-September quarter of the number of licenses granted for new sets totalled 13,595, an increase of nearly 25 per cent over the second quarter.

Imports of complete radio sets into the Dominion in the third quarter of the current year were valued at £37,583, an increase of £18,194 over the preceding quarter. Receipts of American sets increased from £13,453 in the second quarter to £23,301 in the July-September period, it was stated.

New Zealand is showing a steadily increasing interest in automobile sets and this market should prove a good outlet for this type of American radio for some time to come, the report states.

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## LEGISLATION IN 74TH CONGRESS HINGES ON COMMISSION REPORTS

Upon the reports of the Communications Commission, on the subject of whether more time should be given educational programs, and whether or not communications companies should be allowed to merge, will doubtless depend the character of whatever legislation of this sort, if any, the 74th Congress, which convenes January 3, will take up. It is expected that the educational-religious report may cause a general discussion of radio broadcasting, in Congress.

There are those who think the confirmation of the Federal Communications Commissioners by the Senate may also await the filing of the reports which will be about February 1st. The general impression is that all the members of the Commission will eventually be confirmed but that Senator Wheeler, of Montana, if he accepts the Chairmanship of the Senate Interstate Commerce Committee, replacing Senator Dill, will certainly wait for the Communications Commission reports, the first actual work of these Commissioners, and upon this judge their qualifications to continue to serve. Senator Wheeler would like to see a Western man on this Commission and Senator Couzens may again oppose Col. Thad Brown, but it is not believed these views will be pressed.

If Commissioner Gary should be succeeded by Representative Anning S. Prall, of New York, before he finishes writing his report on the educational-religious program situation, there may be some different conclusions. Mr. Gary is believed to have an open mind on the subject but the assertion is made that because Representative Robert Wagner, of New York, favors more time for religious stations, the former may share the latter's views on the subject. It was Senator Wagner who, at the request of Rev. J. B. Harney, of New York, Superior General of the Paulist Fathers, introduce a bill in the Senate which would allocate 25% of all radio facilities to educational and religious stations.

It had been thought because Father Harney had made such a brief appearance at the hearings that probably he was not as aggressively interested in the subject as he had been, but it developed that ill health had prevented the priest from testifying at length. A brief he submitted recently fairly bristled with accusations and it was thought from this that his side of the case might have further active support from Senator Wagner.

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## HEARST WBAL PURCHASE APPROVAL GOES OVER TO NEW YEAR

Action on the sale of Station WBAL, in Baltimore, to William Randolph Hearst, was considered by the Broadcast Division of the Federal Communications Commission when it last met, but a decision was deferred until the next meeting which will be early in the New Year. It seems to be a foregone conclusion that the station sale will be approved, but there was a current report that this Commission would not finally go on record in this matter until after the Commissioners had been confirmed by the Senate. If this is true, it might mean considerable delay in the transaction.

The price Mr. Hearst paid for WBAL is now pretty generally understood to be \$400,000.

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## BRIGHTER SKIES FOR RADIO SEEN

The year 1934 draws to a close with bright prospects before the radio industry, O. H. Caldwell, former Federal Radio Commissioner, foresees.

"Current production of sets and tubes is at a peak for the depression, and retail sales are running 40 per cent ahead of a year ago. Official figures for the third quarter show an encouraging upturn in manufacturing, indicating that the year's output will reach 4,500,000 sets", Mr. Caldwell sums up.

"The radio audience now numbers at least 76,000,000 persons, in 19,000,000 homes equipped with radios (30 per cent of these homes having two, three or more sets). In addition, 2,000,000 automobile radios are roaming the highways.

"Optimism also marks the future, as new developments manifest themselves. Higher tone fidelity and better eye-value design will characterize next season's sets. Noise and interference are to be cleared away by united industry effort. Facsimile is a prospect of the immediate future, as broadcasters explore the business possibilities of new visual advertising. Television also becomes a nearer reality as the German and British invoke government aid in financing transmitters, an expedient which may have to be resorted to here.

"Police radio is finding an important place in city and state organizations, as analyzed on following pages of this issue. The new acorn tubes open up new possibilities for short-wave reception, and also for "pocket radios" operating in the broadcast band. Portable transceivers for laymen - handy sets working around five meters - may create another volume-merchandise market, reminiscent of radio's gold rush days.

"Thus, all around the radio horizon, the sky is brightening, and one discovers cheering new prospects of big things ahead."

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## NO ROOM FOR HUEY'S 50 KW STATION

No application has been received at the Federal Communications Commission for a frequency to provide for the 50,000 watt station which, according to press dispatches, Senator Huey Long declared he proposed to erect in Louisiana. As things now stand, it was said at the Commission, such a request could not be granted because not only Louisiana, but the Third, or Southern, Zone, of which Louisiana is a part, are both over their quota. Louisiana is 94 units over its quota at night, and 14 units over its quota in the daytime. The Third Zone is slightly under quota in the daytime, but considerably over it at night.

Senator Long was reported as saying that he first proposed to put a bill through the State Legislature providing for funds to finance the new station, and then later he expected to secure the necessary frequency from Washington.

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## BRITISH DO NOT FAVOR ADVERTISING, SAYS SIR JOHN

As a result of a recent exchange with Sir John Reith, the National Committee on Education by Radio, has this to say:

"Radio writers in the United States have been saying recently that it does not, and they have been using this assertion to show that the highly satisfactory financial results of the British system cannot be compared with those in the United States, where the broadcasting industry as a whole, according to an authorized spokesman, 'has never yet operated at a profit.'"

This was the answer to the question, "Does the British Broadcasting Corporation make adequate provision in its budget for depreciation?"

These same writers have created also the impression that there is considerable sentiment in Great Britain favoring the introduction of advertising into radio programs in imitation of the American practise.

Sir John C. W. Reith, Director-General of the British Broadcasting Corporation, answers these two assertions in the following radiogram:

"Both statements entirely untrue. Regarding first, depreciation provision more than adequate respecting every form of capital asset. Regarding second, there was House of Commons debate of private member's motion, February 1933, categorically endorsing present non-advertising public service system by 203 to 27 votes. No Parliamentary committee nor any public body, so far as we know, has ever discussed introduction of advertising."

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## RMA ENGINEERS START ON FACSIMILE DEVELOPMENT

Facsimile experiments have reached the point where organized development is being undertaken by the RMA Engineering Division. A special committee on radio facsimile, headed by E. W. Engstrom, of Camden, N. J., as Chairman, has been organized by Dr. W. R. G. Baker, Chairman of the Engineering Division, and Virgil M. Graham, of the Standards Committee.

The new Facsimile Committee has begun to function, starting work on nomenclature and standardization. Four facsimile circuits, between New York and San Francisco, London, Berlin and Buenos Aires, are now in operation by RCA Communications, Inc.

The drum type of facsimile apparatus is now in use but eventual development of a continuous type of recorder, taking its paper from a feed roll, is regarded as the ultimate practical solution for broadcast facsimile recording. Higher speed also is an engineering goal.

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## DETROIT SYMPHONY HAS UP-TO-DATE PICK-UP

The Columbia Broadcasting System recently installed complete speech input equipment in Orchestra Hall, Detroit, in order to provide pick-up facilities for the Ford Sunday Evening Hour. This program features the Ford Symphony Orchestra conducted by Victor Kilar and is broadcast each week over a coast-to-coast network.

A control room having a double-glass observation window was constructed on the orchestra floor of the auditorium. The addition of a radio control room has not altered the appearance of the hall to any appreciable extent. In fact, when the control room is not lighted from within, its presence is hardly noticeable. The control room is entirely outside the auditorium proper.

Thirteen microphone receptacles were distributed throughout the auditorium, on the stage, backstage, and in the wings. Twisted, two-conductor wire, shielded in copper braid, runs in conduit from each microphone receptacle to a "low-level" terminal box in the control room.

Provisions were made for the installation of public-address loud-speakers in any one or all of three locations in the auditorium. High-level audio and loudspeaker field supply outlets are provided in the upper boxes to the right and the left of the stage and over and back of the proscenium arch. The wiring from these outlets is brought in conduit to a "high-level" terminal box in the control room.

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## TELEGRAPH LEADERS AT WHITE HOUSE BUT SILENT AFTERWARDS

Silence on the part of all concerned followed a conference which President Roosevelt had supposedly concerning the Telegraph Code at the White House Thursday.

Those present at the conference were S. Clay Williams, Chairman of the NIRB, and the whole membership of the Board; Judge Eugene R. Sykes, Chairman of the Federal Communications Commission; Newcomb Carlton, Board Chairman of the Western Union Telegraph Company; Sosthenes Behn, Chairman of the Board of the International Telephone and Telegraph Company, of which the Postal Telegraph Company is a unit, and L. H. Peebles, who is in charge of the proposed Telegraph Code.

According to the New York Times, a virtual ultimatum was given by President Roosevelt to the two major telegraph companies to accept the code for their industry which has been pending for more than a year, or present one of their own.

"The President intervened for the first time in the fight by the National Recovery Administration to bring under a code of fair competition the largest uncoded industry at the request of the National Industrial Relations Board."

When asked if the Times story was true, Mr. Peebles said,

"Entirely out of the thin air, and a deduction of someone who evidently has followed the Telegraph Code hearings. Did you ever hear of anyone coming out of a conference with the President and talking? Anyone who would do this would be a damn fool."

No comment upon the conference was forthcoming from the White House. Judge Sykes likewise had nothing to say.

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## OHIO STATION JOINS NBC

Station WHIO, Dayton, will join the NBC-WEAF network on February 2. WHIO, owned by the Evening News Publishing Company of Dayton, and the Springfield Newspapers, Inc., of Springfield, Ohio, will be the NBC's 88th station on the coast-to-coast networks.

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## TELEGRAPH AND TELEPHONE FRANKS UP FOR CONSIDERATION

Conditions surrounding the issuance of telegraph and telephone franks are now up for consideration by the Federal Communications Commission.

A hearing has been called by the Telegraph Division for Monday morning, January 14th to hear testimony and argument on proposed rules with regard to the issuance of telegraph franks and the giving of free telegraph services. According to these rules, telegraph franks would be issued only to the following full-time officers, agents of the carriers and to their families:

President, Vice-Presidents, Secretary, Treasurer, General Counsel, Comptroller, Chief Engineer, General Manager, General Passenger Agent, General Freight Agent.

Common carriers not subject to the Communications Act of 1934, whose officers and employees would be entitled to receive franks from the telegraph carriers would be the following:

Railroad companies, Steamship companies  
Motor bus companies, Air transport companies  
Telephone Companies, Telegraph companies

Another paragraph of the proposed regulations would provide that:

"Every telegraph carrier subject to the Act shall make a special monthly report to the Federal Communications Commission with respect to all franked messages sent during each month by each frank holder. The report, which shall be made to the Commission not later than the first day of the second month following that for which the report is made, shall show with respect to each telegraph frank holder the name of the addressee of each message, the places of origin and of delivery, and the amount of the charges which would have accrued at the regular charges; it shall also show the total number of franks outstanding at the end of the month, the total number of franked messages sent during the month, and the total revenue which would have accrued had the franked messages been paid for at the regular charges.

"The total number of messages sent by each frank holder, the total for all frank holders, the total charges which would have accrued on messages sent by each frank holder and the total charges which would have accrued on messages sent by all frank holders shall be cumulative each month for the period beginning January 1, 1935."

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The Telephone Division of the Commission ordered that each Class A Telephone carrier shall, before March 1, by filling out a questionnaire now being prepared, make a full report with regard to the issuance of telephone franks or free service for the period from January 1st to December 31, 1934. It further ordered that effective January 1, 1935, all Class A telephone carriers subject to the Act, shall keep their records in such manner as will enable them, to furnish the Commission with the information requested in said form questionnaire for any month or months, subsequent to December, 1934, as may be requested by the Commission.

Also, that all Class A telephone carriers subject to the Act, shall retain in their possession all original records containing the data used in compiling the response to the said form questionnaire, until such time as this Commission shall specifically authorize the destruction thereof."

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PRIBBLE HEADS WTAM

Vernon H. Pribble has been appointed General Manager of Station WTAM, Cleveland division of the National Broadcasting Company. He was for eight years on the advertising staff of the Chicago Tribune and later became General Manager of Station WGN in Chicago.

Pribble succeeds W. Webster Smith in the WTAM position, the latter having been granted a leave of absence to permit him to recover his health. Smith is now in Florida and expects to remain there until he is able to accept another NBC assignment.

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JUDGE E. O. SYKES ON FCC OBJECTIVES

The objectives of the Federal Communications Commission in the field of radio will be discussed by the Chairman of the Commission, Judge Eugene O. Sykes, in a broadcast from Washington on Friday, December 28, over the WJZ network, when he will be interviewed by Martin Codel, at 9 P. M. E.S.T.

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 :::::INDUSTRY NOTES::::::  
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The Internal Revenue Tax collections for the first five months of the present fiscal year on radio sets, phonograph records, etc., as compared with the same period last year, were given out by the Treasury as follows:

July 1-Nov. 30, 1934

1,370,319,06

July 1-Nov. 30, 1933

1,003,729.46

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Station WCOL, in Columbus, Ohio, has joined the American Broadcasting System and effective Christmas Day will broadcast daily programs of the new major network, George B. Storer, President of ABS announced in New York City. Station WCOL is the twenty-first affiliate of the ABS.

Edgar Wolf, of Columbus, is the President of the Columbus Broadcasting Corporation which owns and operates the newest ABS station. Transmitting on 1210 kc., with 100 watts power, WCOL was recently assigned its present call letters. It previously was WSEN.

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The next meeting of the Broadcast Division of the Communications Commission will be Tuesday, January 8, 1935.

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Frank E. Mullen, newly appointed head of the RCA Information Bureau and Chairman of the National Radio Conservation Council, who instituted the Conservation Day programs each Friday in the National Farm and Home hour, will be the principal speaker during the broadcast over an NBC-WJZ network December 28 at 12:30 P.M., E.S.T. Mullen will discuss the origin of the radio programs on conservation and outline plans for continuation of the series during 1935 in which the question of land utilization will be the central topic.

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The Radio Committee of the Russian government has developed a new program of television broadcasts. This program includes a periodical sight and sound journal, Telechronique, a multiple film written especially for radio broadcasting, a radio concert in which the interpretations are photographed and recorded on the film, and several simple television broadcasts.

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After hearing defense testimony by Mayor Ambrose Langan of Pittston, Pa., and others, Magistrate Klapp in New York discharged Wednesday afternoon two business men who had been accused of malicious mischief by a radio announcer for the American Broadcasting System.

The case grew out of a disturbance in a mezzanine box at the Army-Notre Dame football game Nov. 24. The defendants were George L. Armour, 36 years old, Executive Vice President of the American Aniline Products Company, and Andrew Sokol, 36, secretary of the textile house of Brand & Oppenheimer.

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A SINGAPORE STATION - MAYBE

At the present time a group of local promoters are endeavoring to raise sufficient capital to erect a modern broadcasting station at Singapore. Altogether, Trade Commissioner Foster estimates that if the right kind of programs become available and radio sets are offered at a reasonable figure, there should be a potential demand for approximately 75,000 sets in British Malaya.

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ISSUES OF DEC. 25 AND JAN. 1 TO BE OMITTED

DUE TO THE FACT THAT DECEMBER 25TH AND JANUARY 1ST ARE HOLIDAYS, THE ISSUES FOR THOSE TWO DAYS WILL BE OMITTED. THE BROADCAST, TELEGRAPH AND TELEPHONE DIVISIONS OF THE FEDERAL COMMUNICATIONS COMMISSION WILL NOT MEET UNTIL JANUARY.

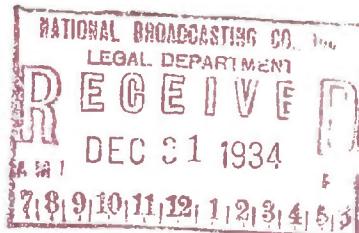
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**



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No. 786.

*in P. G. & S.*

## BROADCASTERS CALL COMMISSION "SPINELESS" IN WLW CUT

Characterizing the move of the Federal Communications as "spineless" in its proposal to cut down the power of Station WLW in Cincinnati, America's most powerful station, from 500,000 watts to 50,000 watts, on what they call a "wholly unjustifiable complaint" of the Canadian Government, broadcasters of the United States seem to be unanimous in their condemnation of the Communications Commission's action. So acrimonious are they, in fact, that it looks as if what they call the Commission's "backing down without firing a shot", may jeopardize the friendly broadcasting relations between this country and Canada.

The *casis belli* was a complaint relayed through our State Department from the Canadian Radio Commission that WLW operating on 700 kilocycles had been blanketing station CFRB in Toronto at night. Officials of the Communications Commission were mum on what action they took in the matter. They have never been quite so silent on any subject before.

From the best information available, it appears that our Commission has agreed to order a cut in WLW's nighttime power from 500,000 watts to 50,000 watts, effective February 1st. It was described as a temporary cut and the hope was expressed that "further diplomatic conversations might bring about a better solution."

"The real issue at stake is whether or not Canada is going to write the broadcasting regulations for the United States" an irate broadcaster declared. "If we authorize the use of a certain amount of power and it does not cause serious interference in this country shall we allow the Canadians to tell us what we shall or shall not do?"

"It is very strange that this Canadian Station which operates on 690 kilocycles, 10 kilocycles from WLW which broadcasts on 700 kilocycles, should be interfered with when there has never been a word of complaint from WOR, Newark which is on 710 kilocycles, likewise only 10 kilocycles removed from WLW."

"This is the first serious complaint we have had from Canada but it won't be the last if we back down as readily as the Communications Commission and the State Department appear to have done", a noted radio engineer observed. "I don't think the situation up there is anywhere near as bad as they make it out to be but rather that it is more or less local politics in Toronto and Ottawa." "The Canadian Radio Commission has

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to justify its existence and I think for that reason feels that it has to stir up trouble every once in a while."

"According to our agreement with Canada CFRB at Toronto should be using 50,000 watts. Instead it is only using 10,000 watts. If it were using 50,000 it wouldn't be affected nearly so much."

Asked if he thought the problem might be solved if WLW were to install a directional antenna, the engineer replied:

"It would be if they could figure out a way of cutting down the signal in the direction of Toronto without reducing its strength in northern Ohio, the station's principle service area.

"Personally I have never been sold on such excessive power as WLW is using," another broadcaster said. "I don't think it is doing a better job using 500,000 watts than it was when it was using 50,000 watts. All you get out of high power is scattered rural coverage. People in distant cities don't listen to such a station but rather to their local stations. It seems to me economically unsound to run the capital stock of a station from \$250,000 to over \$1,000,000 and not get any more out of it than Mr. Crosley is apparently getting out of WLW on 500,000 watts.

"I disagree with Crosley there but I am squarely behind him, as I am sure the entire industry will be, in hitting back when our Commission allows Canada to dictate this drastic power cut. I predict that Mr. Crosley will put up a real fight and he has a lot to fight with."

Remarking that the trouble came at a most embarrassing time for the new Communications Commission, the members of which have not yet been confirmed by the Senate, the broadcaster concluded:

"I think the fact that they are soon to be up for confirmation by the Senate had a lot to do with their action in the WLW case. Some of these wild eyed Senators think 100 watts is all a station should have because a 100 watt station is the most many of them have ever seen. There is always a howl in the Senate when any power increase is discussed. The Commissioners know this and they are playing safe before the storm breaks."

Although Station CFRB in Toronto is Canadian owned it is affiliated with the Columbia Broadcasting System network.

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## SALES OF RADIO SETS ATTAIN ALL-TIME HIGH DURING 1934

During the current year there has been an almost uninterrupted month-to-month gain in radio sales, with demand impervious to the usual period of Summer dullness, due to the extended popularity of automobile and portable sets. The introduction of the all-wave set at a price within the easy reach of the multitude has been one of the outstanding contributions to the new peak levels set by distribution. Broadcasting stations also have furnished bolstering support to the wider use of the radio.

Although all previous records were outdistanced during 1934, current indications reveal a stronger uptrend of demand during the first quarter of 1935, with some new peaks to be established during the last six months of that year, according to a survey of the radio industry, which has just been completed by Dun & Bradstreet, Inc.

In spite of the encouraging progress made during the first six months of the current year, the increase in sales has been abrupt since the new models were displayed early in the Fall. In the comparison with the totals for the corresponding period of 1933, losses were reported in no parts of the country, while the increases ranged from 25 to 100 per cent. The cheaper sets have been bought freely, but the proportion is not so large as it was last season, as there has been a decided shift to the higher-priced all-wave sets during the last three months. Based on the returns for the elapsed eleven months, with the returns of the Christmas season yet to be tallied, it is estimated that sales for the country, as a whole average 40 per cent larger than for the comparative period of 1933. This would bring total sales for 1934 around 5,350,000 sets, as compared with the previous peak of 4,438,000 units set down for 1929.

From 60 to 65 per cent of the units sold represented replacements, which is about the same ratio as in 1933.

The increased hours of leisure, the perfection of the all-wave receivers, and especially the improvement and extension of broadcasting programs have been responsible for the unprecedented expansion which interest in the radio has attained this year.

In October, the highest sales in broadcast history were reached at \$4,527,000, a gain of 59.0 per cent over the 1933 comparative figures, and 49.1 per cent higher than in October 1932. For the ten months of 1934, these sales amounted to \$33,780,000, or 38.8 per cent ahead of the 1933 comparative figures, and 2.2

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per cent in excess of the 1932 total, which represented the all time high.

Wide fluctuations in prices have been absent since last Spring, and the current level is holding steady at 10 to 25 per cent higher than at this period a year ago. The present firmness, however, is inclining upward, and advances already have taken place in some of the medium and better grades of console types of all-wave sets. The popularity of the smaller radio sets, however, apparently is waning, as the price inclination in this division is downward. Manufacturers have thus far succeeded in withholding from retailers most of the increases which have resulted from the higher operating costs under the code. As this policy, however, has made heavy inroads on profits, substantial upward revisions may become necessary next Spring.

The status of general collections is reported as the most satisfactory that has obtained since 1929. In the retail division it has been particularly satisfactory, and wholesalers have received payment in full on some old accounts which were carried over from last year. Collections on deferred-payment sales have been kept up to date in most districts, with re-possession the fewest in many years.

The stronger financial position which all members of the industry now have achieved, as compared with their condition during the three preceding years, has brought bankruptcies almost to a complete stop. For the eleven months of 1934 only 6 manufacturers failed, with the involved liabilities \$526,630, as compared with 25 defaults entailing a loss of \$3,719,519 for the twelve months of 1933.

Among the wholesalers and retailers the reduction in the number of bankruptcies was even more decisive, the total dropping from 109 for the twelve months of 1933 to 33 for the eleven months of 1934. The sum of the involved liabilities, however, was little changed in this division, as one large wholesaler had a defaulted indebtedness of more than \$1,000,000, which pushed the total for the eleven months up to \$1,621,283, or only slightly under the \$1,813,980 recorded for 1933.

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#### GREAT LOSS IS SUFFERED ON FRANKED MESSAGES

Apropos a hearing on the Communications Commission proposed rules on franking privileges which will be held Monday January 14, it has been found that five companies during a single month, June 1934, the month for which complete returns were available, lost \$23,119 on free service to persons other than

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their own employees. They were Mackay Radio and Telegraph Company, \$344.10, Postal Telegraph Co., \$8,742.93, Radiomarine Corporation of America \$3,200.68, Mutual Telephone Company, \$15.20 and Western Union \$10,816.44.

If June be taken as an average month, the total amount of charges which would have accrued on free messages sent by the carriers named in the table for others than employees of carriers subject to the Communications Act of 1934 and their families, for a calendar year would be \$277,432.20.

Moreover, the Mackay Radio and Telegraph handled 46,628 words free of charge for the Byrd Antarctic Expedition for which the regular charges would have been \$79,950.31, and the Western Union handled 266,407 messages free of charge in a demonstration of how telegraphy might be used in connection with broadcast programs.

By way of showing liberal use made of franking privileges the Commission revealed the fact that in eight months the wife of a trustee of the St Louis and San Francisco Railway Company sent 110 messages, the revenue from which would have been \$415.96, the wife of the Vice-Chairman of the Southern Pacific Company 267 messages, \$572.20, the wife of the Vice President and General Manager of the Southern Pacific 498 messages, \$469.71, the wife of the President of the Southern Pacific 509 messages, \$472.83 and the wife of the President of the Union Pacific, 344 messages, \$438.95.

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#### WSPD BLOCKS HEARING THROUGH COURT ACTION

Because of the Toledo Broadcasting Company of Toledo, Ohio, owners of Station WSPD asking the District Supreme Court to enjoin the Federal Communications Commission from holding a hearing January 4 on the transfer of a competing station the hearing has been postponed until the Court acts.

Through attorneys Horace L. Lohnes and Homer L. McCormick, the company, operator of Station WSPD, said that Station WALR, of Zanesville, Ohio, had asked for a transfer of its license so that it could operate from Toledo, because of the effect such a transfer would have on its business, the Toledo station sought permission to intervene in a hearing which was to have been held January 4, and was denied the request.

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Two other cases involving the same principle are now pending in the District Supreme Court, one of which Station WBEN of Lawrence, Kans., which has been appealed to the U. S. Court of Appeals.

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### NEWS "LIFTING" BY RADIO IS UPHELD

Ignoring the right of news agencies and publishers to control the use of news they gather and pay for, Federal District Judge John C. Bowen in Seattle last week made public a decision condoning the unauthorized use of news by radio stations.

Judge Bowen dissolved a temporary restraining order obtained two months ago by the Bellingham (Wash.) Publishing Company against Station KVOS, located in Bellingham, preventing the radio station from its longtime practice of broadcasting local and telegraph news obtained from the Bellingham Herald, the Seattle Times and the Seattle Post-Intelligencer. The suit dismissed by the court's ruling was brought in the name of the Associated Press.

Judge Bowen's 24 page decision was unprecedented in its absolute indifference to news property rights.

"A ruling that news becomes public property the moment newspapers containing it are distributed to the public, made by Federal Judge John C. Bowen, at Seattle, Wash., is one of the most constructive factors that has developed in the newspaper business in years," the Editor and Publisher comments, "and unless his decision is appealed and reversed the great news agencies of this country will be at the mercy of every commercial interest wishing to trade upon them, while grasping, irresponsible, mischievous independent radio stations, now running fast and loose with "news service" enjoy a field day."

Kent Cooper, general manager of the Associated Press, said in New York that "undoubtedly the case will be promptly appealed."

In his decision Judge Bowen wrote: "This court holds that when general news furnished by complainant (the Associated Press) or local news claimed to be under its control as regards publication, has been printed in a regular issue of complainant's member newspapers and that issue has been, in the ordinary course, published and distributed to the public, such news reports from that moment belong to the public, including the defendant (KVOS) and all others who may desire to use them except for sale by a rival news agency to its news publishing customers. And that the mere fact that the defendant disseminates gratuitously those news reports as a part of its radio service after they have been so received by the defendant contemporaneously with other members

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of the public, does not prevent defendant from so receiving and using such news reports, since such practice by defendant does not involve the pirating by one news gathering and distributing agency of news reports of another such agency, as in the case of the Associated Press versus the International News Service."

"In the earliest period of our country's history, communication of private dispatches and public news was by individual curier on foot or, like Paul Revere, on horseback. Later came the stagecoach with the mails, always pressing onward to new frontiers. Next the locomotive or as originally known the "iron horse", developed the mail express, soon, however, yielding a portion of its communication business to the telegraph and telephone and later yielding much of its business to its present aggressive competitor, the motor bus, motor trucks and airplanes. In many instances electric street railways have been forced out of business by the more convenient and efficient motor bus.

"These improvements and developments have occurred in the field of news communication as well as in transportation and have facilitated and have been indispensable to the march of progress in which the public has been most vitally interested, and, in respect to them, the protection of private investments has had to yield to the convenience of the public.

"A fair construction of the true situation in the case at bar is that it involves an exemplification of the greater efficiency of modern news dissemination instrumentalities as compared with those of bygone days, which, in those days, adequately served a like private enterprise and public interest.

"Complainant's and its newspaper members' facilities are not likely to pass into disuse as some news communication instrumentalities have in the past but the service which complainant's facilities have rendered to the past or may render to the future cannot be employed to hinder the use of more modern means, including those of the defendant radio station, which, in some respects, surpass complainant's facilities to an extent comparable to the advantages of the airplane over those of the railroad train."

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#### SHORT WAVE FANS EXHAUST U. S. STATION LIST SUPPLY

A very definite indication of the increasing number of all-wave sets is the fact that the Government has been completely swamped by requests for copies of a list of world short-wave radiophone transmitters.

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Public demand for copies of this list recently issued by the Bureau of Foreign and Domestic Commerce, Department of Commerce, has been so great that three editions totalling 6,000 copies have now been completely exhausted.

Orders in hand for approximately 2,000 copies of the list can not be filled until the January edition of the publication can be compiled and made available for distribution. The date of availability of this edition is contingent upon the time remaining to complete the work after performing the more important normal functions of the Electrical Equipment Division.

The list for which the unexpected demand has developed includes essential information for every world radio station employing radiophone transmissions, irrespective of category, service, or nationality, on frequencies above 1,500 kilocycles.

Copies of the list are sold at 25 cents each, which price covers only the cost of compiling and printing. Orders should be addressed to the Electrical Equipment Division, Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, D.C.

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#### WIRELESS AS STANDBY IN JAPAN

Wireless apparatus is to be installed in the telegraph offices of all important cities in Japan, says Reuter, in order to ensure smooth-working communications in any emergency. This step has been taken by the Ministry of Communications as a result of the experience of the serious conflagration at Hakodate, in which all land wires, which were the only means of communication, were destroyed.

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#### RADIO PIONEER IS HONORED

Dr. Ernest F.W. Alexanderson, pioneer in the development of radio in this country, was notified at Schenectady of his election to membership in the Royal Academy of Science of Sweden. He is a consulting engineer for the General Electric Company.

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#### RCA COMMITTEE DEFERS CAPITAL READJUSTMENT

The special committee of directors of the Radio Corporation of American appointed to consider a capital readjustment plan advised against the adoption of any plan at this time, and officers and directors concurred unanimously. A statement to this effect was issued by General James G. Harbord, chairman of the board, and David Sarnoff, president of the corporation.

No information was available as to the committee's reasons for concluding that adoption of a readjustment plan now would be untimely.

In the opinion of many observers, according to the New York Times it may be six months or more before a plan may be proposed.

"Perusal of the official statement of the Radio Corporation of American, issued after the meeting of the directors, indicates definitely that the idea of formulating a plan to care for the arrearages of dividends on the preferred stocks has not been abandoned but simply was not considered timely." a Times financial writer observes. "The great number of changes in economic conditions and practices in the last eighteen months, the preliminary work of the new Federal Communications Commission and other factors may have influenced the decision of the R.C.A. to defer action in this matter."

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#### COMMISSION UNSATISFIED WITH INTERLOCKING DIRECTORATES

Eleven officials and directors of leading telegraph, telephone and radio companies have been ordered to show cause why they should be allowed to continue as officers or directors of more than one carrier.

The order was issued by the Federal Communications Commission, under the section of the Communications Act which forbids interlocking directorates. It named Walter S. Gifford, president of the American Telephone and Telegraph Company; Sosthenes Behn, president of the International Telephone and Telegraph Co; David Sarnoff, president of Radio Corporation of America; Edwin F. Chinlund, vice president of the Postal Telegraph Company; Newcomb Carlton, board chairman of the Western Union Telegraph Company, and Edwin F. Carter, John W. Felton, E.Y. Gallagher, Joseph J. Halpin, Lewis MacConnach and Frank L. Polk,

all directors of communications companies.

In setting Monday, January 21 for a hearing on applications for permission to hold posts in more than one company, the commission asserted that the applicants have those far failed to convince "that public and private interests will not be adversely affected" by interlocking directorates.

Pending outcome of the hearing all the applicants will be allowed to hold their present posts.

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#### R C A UNITS CONSOLIDATED

The RCA Victor Company and the RCA Radiotron Company, the two wholly owned manufacturing subsidiaries of the Radio Corporation of America, have been consolidated into a single organization to be known as 'RCA Manufacturing Company, Inc'. The new company will begin operations as of January 1st. The consolidation is being made primarily for convenience of operation. The present officers and management of the two subsidiary companies will continue in their respective positions, and the factories located at Camden, N.J. and Harrison, N.J. will continue their operations as at present.

The present trade-marks on the products manufactured by these companies will be continued through the establishment in the RCA Manufacturing Company, Inc., of two divisions, which will be known as 'RCA Victor Division' and 'RCA Radiotron Division.'

E. T. Cunningham will be the President and Mr. David Sarnoff the Chairman of the Board of Directors of the RCA Manufacturing Company, Inc.

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#### MCCOSKER WOR RESIGNATION REPORTED

The following was carried in the last issue of Variety: "It was understood in radio circles Monday (24) although not officially confirmed that Alfred J. McCosker has resigned as president of WOR, Newark. His retirement is understood to take effect January 1. McCosker contract, which had about a year to go, is reported amicably settled by the Macy department stores interests which operates the station.

"McCosker, who has served two terms as president of the National Association of Broadcasters took over the management of WOR for the Bamberger store in Newark eight years ago.

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INDUSTRY NOTES

In the Louisiana Senate Senator Huey Long tacked on an amendment to a bill which would give the State University the right to build or buy or operate under contract or lease, radio stations or broadcasting facilities. Senator Long announced that in connection with the University's dental school he expects to hold a school and public health clinic of the air, with musical programs to provide cultural enjoyment over the Louisiana State University broadcasting system.

James Wallingford, of the NBC, received the National Academy of Arts Medal as the best radio announcer.

Mr & Mrs Alfred J. McCosker gave a tea dance in the Petit Saloon of the Park Lane, New York for their debutante daughter Miss Angela F. McCosker.

Glenn I Tucker, formerly in charge of public relations or the Radio Corporation of America has opened an office in the Graybar Building, 420 Lexington Avenue, New York. Mr. Tucker will handle accounts that are available in the field of industrial writing, including company statements, annual or quarterly statements to shareholders, news releases, and general publicity.

Radio tax collections for October 1934 were \$280,699 as compared with \$305,291 of the previous month. September reports on employment were about the same as the previous month, 58 radio and phonograph factories with 39,999 employees.

The picture of William S. Poley, appears in Fortune Magazine for January with the following caption:

"With business 55 percent better than last year, the Columbia Broadcasting System has voted a 50 percent stock dividend. This on top of a five for one split last February, is further indication of the success of Columbia's smart, unassuming young President."

Commissioner Thad Brown spent the Christmas vacation in Ohio, Commissioner Case in Rhode Island and Commissioner Payne in New York. Commissioner Sykes, Gary, Stewart and Walker remained in Washington.